

CLEARFIELD CITY COUNCIL
AGENDA AND SUMMARY REPORT
June 23, 2015 – POLICY SESSION

Meetings of the City Council of Clearfield City may be conducted via electronic means pursuant to Utah Code Ann. § 52-4-207 as amended. In such circumstances, contact will be established and maintained via electronic means and the meetings will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

Mayor Shepherd, Councilmember Benson and members of staff may participate in the meeting electronically via telephone.

City Council Chambers
55 South State Street
Third Floor
Clearfield, Utah

7:00 P.M. POLICY SESSION

CALL TO ORDER:

Mayor Pro Tem LeBaron

OPENING CEREMONY:

Councilmember Jones

APPROVAL OF MINUTES:

April 14, 2015 – Work Session

April 28, 2015 – Work Session

May 12, 2015 – Work Session

June 9, 2015 – Policy Session

PUBLIC HEARINGS:

1. **PUBLIC HEARING TO RECEIVE COMMENT ON AMENDING THE 2014/2015 FISCAL YEAR BUDGET**

BACKGROUND: State Law requires a public hearing before the City Council approves amendments to the City budget. Rich Knapp, Administrative Services Director, has prepared some proposed amendments for the 2014/2015 fiscal year budget.

RECOMMENDATION: Receive public comment.

SCHEDULED ITEMS:

2. **CITIZEN COMMENTS**
3. **CONSIDER APPROVAL OF RESOLUTION 2015R-12 ACTING AS THE GOVERNING AUTHORITY OF THE NORTH DAVIS FIRE DISTRICT ADOPTING AND CERTIFYING ITS TAX RATE FOR THE 2015 TAXABLE YEAR**

BACKGROUND: The Clearfield City Council acts as the governing authority for the North Davis Fire District (NDFD). The Administrative Control Board of the NDFD desires to establish a certified tax rate of .001301 for the 2015 taxable year for the purpose of funding operating

expenses and capital improvements and to provide fire protection, emergency medical and ambulance services and consolidated 911 and emergency dispatch services.

RECOMMENDATION: Approve Resolution 2015R-12 acting as the governing authority of the North Davis Fire District (NDFD) and adopting and certifying a tax rate of .001301 for the Fire District during the 2015 taxable year and authorize the Mayor's signature to any necessary documents.

4. CONSIDER APPROVAL OF RESOLUTION 2015R-13 ADOPTING AMENDMENTS TO THE 2014/2015 FISCAL YEAR BUDGET

RECOMMENDATION: Approve Resolution 2015R-13 adopting amendments to the 2014/2015 fiscal year budget and authorize the Mayor's signature to any necessary documents.

5. CONSIDER APPROVAL OF RESOLUTION 2015R-14 SUPPORTING A 0.25 % LOCAL OPTION GENERAL SALES TAX WHICH WOULD BE DEDICATED TO FUNDING TRANSPORTATION IMPROVEMENTS AS AUTHORIZED BY HOUSE BILL 362 (2015), ENCOURAGING DAVIS COUNTY TO SUBMIT THE PROPOSAL TO VOTERS IN NOVEMBER 2015, AND ENCOURAGING VOTER SUPPORT OF THE PROPOSAL

BACKGROUND: During the 2015 Legislative Session, the Utah Legislature passed House Bill 362 authorizing counties to impose and voters to approve a 0.25% local option general sales tax dedicated to funding local transportation needs. The City will, upon County imposition and voter approval, receive forty percent of the revenue generated by the sales tax to use toward a backlog of road maintenance projects as well as active and alternative transportation needs. The City also expects the transit system to utilize the revenues collected within the City for projects which will expand local bus service, foster local and regional connectivity and benefit the residents of Clearfield.

RECOMMENDATION: Approve Resolution 2015R-14 supporting a 0.25% local option general sales tax which would be dedicated to funding transportation improvements as authorized by House Bill 362 (2015), encouraging Davis County to submit the proposal to voters in November 2015, and encouraging voter support of the proposal; and authorize the Mayor's signature to any necessary documents.

6. CONSIDER FOR ADOPTION RESOLUTION 2015R-15 OF THE CITY COUNCIL OF CLEARFIELD CITY, UTAH, AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$9,950,000 AGGREGATE PRINCIPAL AMOUNT OF SALES TAX REVENUE REFUNDING BONDS, SERIES 2015; AND RELATED MATTERS

BACKGROUND: The proposed resolution will start the process to refinance the 2006 sales tax revenue refunding bonds by authorizing a publication in the newspaper and on the public meeting website declaring the City's intent to issue refunding bonds. The current total potential savings from refinancing/refunding for the last twelve years of this bond are between \$500,000 to \$750,000 depending on the market and timing of the transaction.

RECOMMENDATION: Adopt Resolution 2015R-14 Authorizing the issuance and sale of not more than \$9,950,000 Aggregate Principal amount of Sales Tax Revenue Bonds, Series 2015 and authorize the Mayor's signature to any necessary documents.

COMMUNICATION ITEMS:

Mayor's Report
City Councils' Reports
City Manager's Report
Staffs' Reports

****ADJOURN AS THE CITY COUNCIL AND RECONVENE AS THE CDRA****

1. APPROVAL OF THE CLEARFIELD COMMUNITY DEVELOPMENT AND RENEWAL AGENCY (CDRA) MINUTES FROM THE APRIL 28, 2015 AND THE MAY 12, 2015 WORK SESSIONS

PUBLIC HEARING:

2. CONSIDER AMENDMENTS TO THE CDRA 2014/2015 FISCAL YEAR BUDGET

BACKGROUND: State Law requires a public hearing before the Board approves amendments to the CDRA budget. Rich Knapp, Administrative Services Director, has prepared some proposed amendments for the 2014/2015 fiscal year budget.

RECOMMENDATION: Receive public comment.

SCHEDULED ITEMS:

3. CONSIDER APPROVAL OF RESOLUTION 2015R-03 AMENDING THE CDRA 2014/2015 FISCAL YEAR BUDGET

RECOMMENDATION: Approve Resolution 2015R-03 adopting amendments to the CDRA 2014/2015 fiscal year budget and authorize the Chair's signature to any necessary documents.

****ADJOURN AS THE CDRA****

Dated this 18th day of June, 2015.

/s/Nancy R. Dean, City Recorder

The City of Clearfield, in accordance with the 'Americans with Disabilities Act' provides accommodations and auxiliary communicative aids and services for all those citizens needing assistance. Persons requesting these accommodations for City sponsored public meetings, service programs or events should call Nancy Dean at 525-2714, giving her 48-hour notice.

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
April 14, 2015

PRESIDING:	Mark Shepherd	Mayor
PRESENT:	Keri Benson Kent Bush Mike LeBaron Bruce Young	Councilmember Councilmember Councilmember Councilmember
EXCUSED:	Ron Jones	Councilmember
STAFF PRESENT:	JJ Allen Brian Brower Scott Hodge Greg Krusi Scott Hess Eric Howes Curtis Dickson Rich Knapp Nancy Dean Kim Read	Assistant City Manager City Attorney Public Works Director Police Chief Development Services Manager Community Services Director Community Services Deputy Dir. Administrative Services Director City Recorder Deputy City Recorder
EXCUSED:	Adam Lenhard	City Manager
VISITORS:	Kathryn Murray	

Mayor Shepherd called the meeting to order at 6:00 p.m.

DISCUSSION ON A PROPOSED ZONING TEXT AMENDMENT TO TITLE 11, CHAPTER 11, ARTICLE E, SECTION 8 – PARKING, LOADING AND ACCESS, FOR THE DOWNTOWN REDEVELOPMENT (D-R) ZONE

Scott Hess, Development Services Manager, shared a visual presentation and stated there was a regulation specific to parking loading and access in Title 11 of the City Code. He explained staff was suggesting an amendment which would allow the requirements within the D-R Zone be established through the development agreement. He continued language would also be included which stated consideration for said requirements should be given to market studies, engineering analysis and other reliable sources as determined by the City. He stated the last portion of language was added in order to meet a balance of flexibility while at the same time proof through some sort of study or analysis which reflected the need for the reduction in parking. He reviewed some of the identified reasons for the proposed project across the street from City Hall:

- an “urban” style project
- one-bedroom only units
- proximity to transit site

He reported the proposal for that particular project was 1.8 parking spaces per unit and the current requirement was 2.125 parking spaces per unit. He expressed his opinion a developer contributing millions of dollars into the project wouldn't want to compromise its success due to the reduction in parking spaces. He suggested the market would determine the number of parking spaces needed and the D-R zone would then be a development agreement based zone allowing the City to negotiate with each project.

Councilmember Bush expressed concern the D-R Zone was not specific to this parcel of property but was throughout the entire City. He inquired if the City could renegotiate the number of parking spaces once the commercial component was developed and expressed concern a more intensive commercial component could require additional parking than what was originally needed.

Mr. Hess responded the development agreement would act as the land use decision and didn't believe specific conditions could be renegotiated or requirements changed. He suggested parking specific to the commercial component could be controlled through the business licensing process and mentioned that was also the current process. JJ Allen, Assistant City Manager, commented that was also market driven.

Mr. Hess stated the parking requirement, which would be established through a development agreement, would consist of two pieces: the fixed number of parking spaces for the commercial component and the negotiated parking for the residential. He mentioned the developer wouldn't want to jeopardize the success of the commercial component due to a lack of parking. He added language in the D-R Zone addressed the possibility of "shared" parking which would allow some of the daytime parking to be used for resident or guest parking at night.

Councilmember Bush asked if any of the residential parking would be covered. Mr. Hess responded that would be addressed in the development agreement. Councilmember Young pointed out the risk in allowing the parking to be market driven as opposed to number specific for a mixed development. He suggested a developer could short change the commercial component's parking in lieu of potential higher dividends from the residential and a discussion took place regarding the number of parking spaces.

Mr. Hess believed the proposed approach was currently applicable. He added as the City was approached for future mixed use developments the City could steer developers to what it desired.

DISCUSSION ON THE PROPOSED REZONES OF PROPERTIES LOCATED AT APPROXIMATELY 50 SOUTH DEPOT, 70 SOUTH DEPOT AND 145 SOUTH DEPOT (TINS: 12-001-0193, 12-001-0130, 12-001-0175, 12-001-0176), MORE COMMONLY KNOWN AS CLEARFIELD CENTER FROM COMMERCIAL (C-2) TO DOWNTOWN REDEVELOPMENT (D-R)

Scott Hess, Development Services Manager, shared an illustration reflecting the parcels of property across the street from City Hall which needed to be rezoned from Commercial to Downtown Redevelopment to accommodate a proposed mixed use development and oriented the location with the Council. He pointed out the rezone request was being made by the CDRA and

the developer and the proposed use met the City's General Plan requirements. He explained the proposed development would consist of 99 apartments with 183 parking stalls. Councilmember LeBaron clarified there was a retail component associated with the development and a discussion took place regarding the number of parking spaces for both the residential and commercial components. He stated a market study was in the process of being completed to determine the number of residential units in the development.

Mr. Hess directed the Council to the illustration and reviewed specifics of the development with the Council:

- The highlighted area on the site plan currently existed in the road right-of-way. He explained where Depot Street made the ninety degree turn wouldn't allow for a left hand turn. He clarified the road right-of-way width would still be the standard of 36 feet of asphalt from curb to curb. He stated to add surface parking, the site plan reflected a reduction in the asphalt to approximately 28 feet which was just what the NDFD (North Davis Fire District) would allow, and both sides of the street would not allow any on-street parking, forcing a right in right out movement. JJ Allen, Assistant City Manager, clarified the left hand turn currently wasn't allowed. He emphasized the proposal was a diversion from the City's standard; therefore, it would be identified within the development agreement. He reported the Davis County Health Department had made a request to the City to paint its curb as "loading only" eliminating the stacking of parked cars along its frontage. He pointed out the area in which would be used for dual use parking with the Health Department.
- He pointed out some underground parking would be available and explained how it would be accessed from Depot Street.

Councilmember Bush inquired if the City had the authority to modify the street width to accommodate the development and a discussion took place. Nancy Dean, City Recorder, responded Title 1, Chapter 14 stated all development would be subject to standards. Mr. Hess indicated there were a number of challenges associated with the development but believed it would encourage parking in designated areas while at the same time discouraging on-street parking in the area which was not a good fit at that location. A discussion took place about how the street width for some streets in Clearfield Station was allowed.

JJ Allen, Assistant City Manager, explained limited parking options lead to a "walkable" community development style. Brian Brower, City Attorney, mentioned there were provisions for exceptions to the identified subdivision regulation standards due to unusual shape or other conditions.

Mr. Hess emphasized a final site plan had not yet been submitted for staff's review and mentioned everyone was working toward getting the best development for the property. Mr. Allen pointed out the proposed concept and project resembled what had been presented from the beginning of the planning.

Councilmember Bush inquired if there would be any fencing requirements between the D-R Zone and surrounding zones. Mr. Hess didn't believe that would be necessary because the D-R Zone was the extension of a commercial zone.

Mr. Hess reported Mike Pace from Pace Tax and Accounting had made public comment against the rezone during the Planning Commission meeting stating the commercial corridor should remain commercial. During his comments he reported the City had master planned mixed use in the area and it was his opinion it should remain commercial.

DISCUSSION ON THE PROPOSED FINAL SUBDIVISION PLAT FOR IRONWOOD DEVELOPMENT, LLC, FOR PROPERTY LOCATED AT APPROXIMATELY 850 SOUTH 490 EAST (TINS: 12-066-0089, 12-066-0090, 12-066-0115)

Scott Hess, Development Services Manager, shared an illustration and oriented the Council regarding the property location and indicated the property was currently zoned (R-3), Residential. He stated the proposed action would combine the three parcels into one to accommodate development on a larger scale. Councilmember Bush inquired about the neighboring properties. Mr. Hess reviewed the neighboring parcels and a discussion took place.

Mr. Hess reminded the Council that the Meadows Condominiums and Kensington Place and Hamblin Park used an old ditch for outflow purposes. He explained the project proposed to use the drainage easements directing water to a large pond which would correct the Meadows Condominiums drainage issues. He stated he had warned the developer of a possible requirement for a second access out of the development and indicated Mr. Ord had been contacted.

Mr. Hess emphasized the property would then consist of one lot with one property owner for the garden apartment development with 125 units proposed. He pointed out the one concession with the project was the giving of Depot Street to the City and explained they were looking for some reimbursement agreement similar to what was granted to Clearfield Station developers.

Mr. Hess reported the Council wouldn't see the site plan because it would be approved by the Planning Commission and stated if the project conformed with all requirements for the R-3 zone it would be an entitled project.

DISCUSSION ON THE PROPOSED REZONE FOR PROPERTY LOCATED AT APPROXIMATELY 1365 WEST 25 NORTH FROM RESIDENTIAL (R-1-8) TO AGRICULTURAL (A-1)

Scott Hess, Development Services Manager, shared a visual illustration and oriented the Council on the property location. He stated the property was currently zoned residential, (R-1-8), and indicated Verlan Robinson, property owner, had constructed a large outbuilding which met the current zoning. In 2008, the house was split from the parcel which created a legal non-conforming use with the garage in the R-1-8 zone.

He reported Mr. Robinson had since requested a building permit for another garage of similar size for the purpose of storing farm equipment. He stated the building permit was denied because in a residential zone the house was the primary use with anything else on the property a secondary use to the primary use.

Mr. Hess stated if the property were rezoned to the Agriculture Zone it would then be the primary use of the property which would then allow the building permit to be granted for the secondary use of the structure.

Mr. Hess reported surrounding property owners had spoken against the rezone during the Planning Commission's public hearing. Councilmember Benson reported those residents' concerns were specific to perceived, compromised safety regarding vehicles and streets.

Brian Brower, City Attorney, suggested the Council focus on the highest and best use for the property when considering the rezone request.

Councilmember LeBaron pointed out the property was currently adjacent to other residential properties and expressed concern rezoning to the Agriculture Zone which would then exempt it from dust control which could negatively impact the adjacent residences. He expressed his opinion the highest and best use for the property was residential. Councilmember Bush commented the property had the potential to be subdivided into two or three residential lots.

Mayor Shepherd asked about the reasoning in separating the home from the original parcel. Mr. Hess believed it was because the owner moved to another residence. Councilmember Bush believed Mr. Robinson desired to retain the property for equipment storage so he subdivided the property. He mentioned Mr. Hess mentioned Mr. Robinson did split the home from the property legally and informed the Council that the present proposal was a split vote by the Planning Commission and the Chair broke the tie in favor of the rezone. He added there was a lot of discussion on the item.

Councilmember LeBaron believed the property should remain residential to allow the possibility of a future home to be built on the property and expressed agreement with Councilmember Bush's comments about future residential development on the parcel. Mayor Shepherd pointed out the adjacent property to the west was zoned to the Agriculture Zone because it was the power corridor which mandated that zoning. Councilmember Young believed the rezone would negatively impact the surrounding residential use which could take away from the highest and best use of those properties.

DISCUSSION ON THE PROPOSED FINAL SUBDIVISION PLAT FOR PROPERTY LOCATED AT APPROXIMATELY 938 SOUTH 2000 EAST

Scott Hess, Development Services Manager, reminded the Council where the proposed development was located and the expressed concerns of the Council from previous discussions regarding storm drainage issues. He indicated the subdivision plat had been reworked and directed the Council to Lots 31 and 32 where the detention pond had been designated and explained the drainage would be diverted into a pipe which would flow down the backside of the property and ultimately drain into the City's site. He explained the only difference was instead of the drainage going from the development's system into a metered pipe and then into the street, this would go into a metered pipe which ended up in the City's storm detention basin and from there out. He pointed out the proposal addressed Councilmember LeBaron's previous concerns

because once the drainage exited the development's storm detention basin everything was the same.

He referred to the illustration and explained the grade associated with the site plan. He stated the developer had received his requested rezone and the development agreement was currently with John Hansen for review. He pointed out the location of the two commercial buildings along University Park Boulevard and indicated what the tentative final plat would look like. He indicated the minimum standards couldn't be met in the (R-2) Residential zone so the setbacks were established through the development agreement. He explained the rear setbacks wouldn't meet the standard because of the rear slope. Mr. Hess reviewed the specifics regarding the size of the home, garage; and indicated all structures would be one story.

Councilmember Bush clarified the setbacks could be changed via the development agreement. Mr. Hess responded setbacks were one of the provisions which could be changed through the development agreement and reminded the Council the Kensington Place subdivision was developed similarly.

Councilmember Bush asked if the open space would be maintained by a Homeowners' Association and Mr. Hess responded in the affirmative. He mentioned landscaping would be at a minimum.

Mr. Hess emphasized the developer was preserving the egress at the end of the development and explained the benefit of both the business owner of 888 South 2000 East and the developer working with Great Basin Engineering allowing the easement for the cul-de-sac to be a possible future road and explained how the parking lot could be accessed.

Mr. Hess reported the development agreement was scheduled to come before the Council on Tuesday, April 28, 2015.

Councilmember Bush moved to adjourn the work session and reconvene in a regular session at 7:00 p.m., seconded by Councilmember LeBaron. All voting AYE.

Councilmember Jones was not present for the vote.

The City Council work session reconvened at 8:05 p.m.

DISCUSSION ON THE PROPOSED AMENDMENT TO THE FINAL SUBDIVISION PLAT FOR CLEARFIELD STATION – PHASE I

Scott Hess, Development Services Manager, shared an illustration reflecting the changes made to the final subdivision plat for Clearfield Station Phase I. He reminded the Council the original plat was approved on Tuesday, July 22, 2014. He explained the significant changes to the road configuration for the development. He explained road "C" was to be the main access road from State Street and stated road "D" and "E" still existed.

He stated the other significant change was the inclusion of two additional residential buildings in Phase I. JJ Allen, Assistant City Manager, clarified this had been discussed during a previous

joint work session with the Planning Commission. Mr. Hess pointed out road 5 would directly connect to road E and expressed his opinion it was a much better road configuration for Phase IB.

Mr. Hess explained the preliminary plat was similar to what the Council had already seen with the exception of the final subdivision plat changes. He explained the Council wasn't required to reapprove the preliminary plat; however, preliminary plats had a twelve month approval timeframe which was drawing to a close. He continued the final plat included all easements and the road change to necessitate the additional two buildings. He reported it was approved by the Planning Commission based on the former approval and former conditions.

Scott Hodge, Public Works Director, reported concerns had been expressed on behalf of the City Engineer regarding the entire site as a whole and emphasized Phase I was self-supporting. Mr. Hess explained the City Engineer suggested the City consider the entire site as a whole during the approval process as opposed to phasing because it was 72 acres in size. He continued if each phase was approved as a stand-alone the City could be at risk as to whether the project was completed in its entirety. Councilmember Bush clarified the development would be using the existing entrance off of State Street. Mr. Hess confirmed that and stated that would remain the entrance until a traffic study warranted a new entrance and mentioned the exit road to the south wasn't included in the design of Phase I because the existing road network could handle the additional traffic associated with the proposed 212 new apartments.

Councilmember LeBaron disagreed with the initial traffic study which identified 1000 East could accommodate additional traffic. Councilmember Benson and Mayor Shepherd expressed agreement. Mr. Hess suggested the City could push for additional proposed roads in Phase II and a discussion took place.

Adam Lenhard, City Manager, arrived at 8:15 p.m.

DISCUSSION ON AMENDMENTS TO THE CLEARFIELD STATION MASTER DEVELOPMENT PLAN (MDP)

Scott Hess, Development Services Manager, reported the Master Development Plan (MDP) phasing change added two buildings which increased the residential units from 168 units to 212 total units. He mentioned the Master Development Agreement (MDA) would also need to reflect that same change.

Mr. Hess stated there was an error regarding the exterior building materials for the residential units in only limiting efface stucco and reported it was now corrected to reflect: efface stucco and any similar material would be limited to thirty percent total of the building exterior. JJ Allen, Assistant City Manager, pointed out some of the identified exterior materials had been changed and reported hardy board was now included.

DISCUSSION ON AMENDMENTS TO THE CLEARFIELD STATION MASTER DEVELOPMENT AGREEMENT (MDA)

Scott Hess, Development Services Manager, reported the Master Development Agreement (MDA) similarly had to be changed to reflect the change in residential unit counts in Phase IB, which was amended in the MDP (Master Development Plan). He mentioned this would also amend the TIF (Tax Increment Financing) Agreement.

JJ Allen, Assistant City Manager, pointed out the original agreements had not been fully executed and presented options to the Council for approval. He stated the agreements could be amended as previously approved or just reapproved as new agreements with the identified revisions. He pointed out the agreements identified specifics relative to phasing.

Mayor Shepherd inquired how the project would be affected if funding wasn't approved from Davis County. Mr. Allen responded the City hadn't asked that question of the developer and indicated City staff had received positive response from the developer who was moving forward with the project. Mr. Hess stated the City had received questions from the developer's lender specific to certain approvals and believed the financing process was moving along.

DISCUSSION ON A PROPOSED AMENDMENT TO THE CITY'S GENERAL PLAN LAND USE MAP CHANGING A DESIGNATION FROM COMMERCIAL TO RESIDENTIAL FOR PROPERTY LOCATED AT APPROXIMATELY 880 SOUTH STATE STREET AND PROPOSED REZONE FOR PROPERTY LOCATED AT APPROXIMATELY 880 SOUTH STATE STREET FROM COMMERCIAL (C-2) TO MULTI-FAMILY RESIDENTIAL (R-3)

Scott Hess, Development Services Manager, informed the Council that it was the Planning Commission's recommendation to approve the amendment to the City's General Plan Land Use Map during its meeting on Wednesday, April 1, 2015. He reminded the Council the property was the Davis Behavioral Health property in which the City participated with demolishing outdated residential treatment facilities. He stated the three parcels were combined and recorded as one parcel.

Mr. Hess explained the City expected a commercial use for the property and informed the Council that the first project presented to the City was for residential use. He reported Lotus Development was proposing a high-end, three story walk up, urban style, 40 unit residential development. He mentioned the project would be unlike anything else in the City. He indicated the developer didn't recognize a commercial option at that location because of its proximity to two limited activity centers across State Street. He stated the development would be an addition to the Clearfield Station and Ironwood developments.

JJ Allen, Assistant City Manager, emphasized the project would need both a General Plan Amendment and a Rezone.

Councilmember Young expressed concern the City was approving too many of the proposed types of developments in a short timeframe. Councilmember LeBaron believed the project was an "A" project but expressed concern about how it would contribute to the commercial vitality

along State Street and what the project would resemble in the future. Councilmember Bush stated he was against rezoning commercial property to residential because it limited future commercial growth for adjacent properties and a discussion took place regarding the number of new multi-family residential projects.

Councilmember Young suggested waiting to see how the recently approved multi-family projects affected the commercial viability in the City prior to approving additional multi-family housing. He expressed concern the Council didn't know how the additional multi-family residential would impact the City.

Mr. Hess suggested the City could apply for local planning resource program grants or spend funds to complete a market study comparison for residential verses commercial viability to determine the City's direction related to development.

Mayor Shepherd expressed concern about the City forcing a developer to pursue commercial development which might not be successful. Councilmember Young stated he wanted to determine the impact from the mixed-use residential compared to commercial. Mayor Shepherd asked the Council how it would view the proposed development if it had a commercial component.

Councilmember LeBaron mentioned a lot can be learned from watching what happens with the recently approved project planned to take place across the street from the City building as well as the Clearfield Station project. Mayor Shepherd asked if anyone, the City or developer, given thought to how Clearfield Station could be impacted by the recently approved multi-family housing developments throughout the City. Mr. Hess pointed out all the proposed projects were slightly different products that did not intend to compete with Clearfield Station and pointed out the differences between each and believed they complemented one another. He added the units in the proposed Lotus project could either be purchased or rented and a discussion took place regarding the following:

- Would there be more consideration by the Council if the project would be "owner" occupied?
- Was the City approving too many multi-family projects at once?
- What would the projects look like in 30 years?

JJ Allen, Assistant City Manager, expressed concern the City was trying to force a property owner into choosing between strictly commercial or a combination of commercial and residential but strictly residential was out of the picture. He questioned whether it was viable the corridor could sustain that development. Councilmember LeBaron emphasized the Council recently approved 1000 residential units and suggested the Council would want to see how those developments would impact a possible future commercial component which could be applied to other areas.

Councilmember Young commented the City might regret not approving the project; however, the risk was currently just too high. Councilmember LeBaron believed if it were successful, downtown developers would still be interested in other locations.

Mr. Allen pointed out Davis Behavioral Health wanted to retain ownership of the property so it would have a revenue stream from the development. He reported the two items had proceeded through the Planning Commission process and would be on the Council's agenda for action during its meeting on Tuesday, April 28, 2015.

Mr. Hess requested direction on how staff should respond to other applicants with similar projects. Councilmember LeBaron responded he wanted to hold off on approving additional, similar projects regardless of where they were located in the City. He believed the City would learn a lot from the approved project across the street. Mr. Allen clarified the Council wasn't willing to entertain additional residential without a commercial component. Councilmember LeBaron stated the developer would need to be prepared to bring an "A" product with a commercial component and a discussion took place.

The meeting adjourned at 8:50 p.m.

DRAFT

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
April 28, 2015

PRESIDING:	Mark Shepherd	Mayor
PRESENT:	Keri Benson	Councilmember
	Kent Bush	Councilmember
	Ron Jones	Councilmember
	Mike LeBaron	Councilmember
	Bruce Young	Councilmember
STAFF PRESENT:	Adam Lenhard	City Manager
	JJ Allen	Assistant City Manager
	Brian Brower	City Attorney
	Jacob Fordham	Assistant City Attorney
	Greg Krusi	Police Chief
	Scott Hodge	Public Works Director
	Kim Dabb	Operations Manager
	Scott Hess	Development Services Manager
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Rich Knapp	Administrative Services Director
	Terence Jackson	IT Manager
	Lee Naylor	Accountant
	Nancy Dean	City Recorder
	Kim Read	Deputy Recorder

VISITORS: Kathryn Murray, Beth Holbrook – Waste Management

Mayor Shepherd called the meeting to order at 6:00 p.m.

DISCUSSION ON THE REQUEST FOR PROPOSAL (RFP) FOR RESIDENTIAL SOLID WASTE SERVICES AND RECYCLABLES COLLECTION SERVICES

Rich Knapp, Administrative Services Director, informed the Council that there were two more years in which the City could renew its solid waste contract with Waste Management; however, staff wanted to explore a recycling component so a Request for Proposal (RFP) process was completed. He explained the proposal would be for a five year term with a three year renewal. He reported staff reviewed the proposals and was recommending the contract be awarded to Waste Management. He explained one of the advantages of having a five year contract was the City would recognize lower garbage rates because of the longer commitment.

Mr. Knapp announced the proposed recycling fees were proposed to be lower than expected and stated the first can pricing was similar to the FY13 costs. He explained the City could also expect

a credit should the cost of diesel decreases. He mentioned garbage would be picked up every week and the recycling can would be picked up every other week.

Mr. Knapp shared an illustration identifying the pros and cons relative to recycling and reviewed them with the Council:

PROS

Cheaper than having a second trash can - \$7.50 vs \$4.00

New residents regularly request a recycling program

Not all waste is burned at the Burn Plant – approximately only fifty percent

Once the landfill fills up costs will certainly increase

Protecting Mother Earth

More convenient than drop-off locations

CONS

Increase of heavy truck traffic which contributes to emissions but there was already a private recycling vendor operating within the City

The City's curbside recycling program could negatively affect the private vendor

Only fifty percent of garbage received at the Burn Plant was converted to energy

Residents would need to find a place for a second trash can

Adam Lenhard, City Manager, clarified staff was looking for direction from the Council on three specific issues:

- The Award of Bid.
- Should the City implement a recycling program, and if so how – should it be mandatory, allow residents to opt-in, or allow residents to opt-out?
- Should there be an increase in cost for the second garbage can?

Mr. Knapp reviewed costs associated with the implementation of a recycling program based on a 75 percent participation rate:

- Mandatory \$3.00
- Opt-out > 75% \$3.40
- Opt-out < 75% \$3.75
- Opt-in \$5.50

Beth Holbrook, Waste Management, explained Waste Management desired to make recycling easier for the consumer as much as possible. She stated most cities offered an opt-out time frame of approximately 45 to 60 days and the typical response to that was 65 to 85 percent opting out. She suggested the City could expect 60 percent opting out the first go around and reported they would provide an education piece which would include opt-out information. Mr. Knapp reported 35 percent of the City's residents currently paid for a second trash can.

Councilmember Bush asked what products could be placed in the recycle can. Mr. Knapp provided an illustration identifying accepted and non-accepted items and explained plastic grocery bags and glass could not be placed in the recycle can. Councilmember Bush clarified green waste was not allowed in the recycle can. Councilmember LeBaron pointed out many

residents used a second can during the summer months for no other purpose than for grass clippings and suggested once recyclable items were placed in the recycle can the green waste would probably fit in the trash can. A discussion took place regarding green waste and if some residents would rather have the second trash can as opposed to a recycle can.

Councilmember LeBaron liked the recycling concept but believed a learning curve was needed and suggested placing a green waste dumpster at the City Shops facility which could be accessed during business hours. JJ Allen, Assistant City Manager, pointed out the challenges associated with that since most green waste was created on weekends and an individual would be required to be on site in order to monitor what was being disposed.

The Council directed Mr. Knapp to proceed with the recycling program and allowing an opt-out option to residents. Mayor Shepherd believed the City would have less than the 75 percent participating for the first year.

Ms. Holbrook suggested the City could allow an opt-out window to residents and a discussion followed. Mr. Knapp clarified the following:

- Allowing an opt-out option time frame to residents with a designated time frame
- New residents would also have a choice when signing up for a utility account
- Recycle can cost set at \$3.74 to \$4.00. The Council wanted to discuss the rate at a later date.
- The Council didn't want recycling to be mandatory to residents

Mr. Knapp announced the new contract would be in place prior to July 1, 2015 and Ms. Holbrook expressed agreement with that.

Ms. Holbrook left the meeting at 6:30 p.m.

DISCUSSION ON THE AWARD OF BID FOR ASBESTOS ABATEMENT AT 310 SOUTH 500 EAST AND 559 SOUTH MAIN STREET

Eric Howes, Community Services Director, reminded the Council the service had been previously bid out and the City determined to modify the scope of work regarding the structures and rebid the project which allowed the City to recognize a significant savings. He reviewed where the structures were located. He reported the lowest bid didn't submit all items included in the bid request and staff had determined the bid was unresponsive. He recommended awarding the bid to A-1 Abatement at \$7917.24.

DISCUSSION ON THE AWARD OF BID FOR DEMOLITION OF BUILDINGS AT 310 SOUTH 500 EAST AND 559 SOUTH MAIN STREET

Eric Howes, Community Services Director, announced the lowest bid for demolition of both structures was \$38,000 and was recommending the award of bid go to Grant Mackay in that amount.

Councilmember LeBaron inquired if A-1 Abatement possessed the required State Certifications. Mr. Howes responded in the affirmative and reported of the five bids received for the project they were the only company which had submitted everything requested by the City.

Councilmember Bush inquired if the garage would also be demolished in conjunction with the Youth Resource Center. Mr. Howes indicated it would be demolished.

DISCUSSION ON THE AWARD OF BID FOR THE CLEARFIELD CITY MONUMENT SIGN PROJECT

Eric Howes, Community Services Director, referred to a handout which provided bid information regarding the Monument Sign project. He reported all bids exceeded the Engineer's estimate and staff was recommending all bids be rejected at this time and then rework and rebid the project in the future.

Adam Lenhard, City Manager, inquired if any action was required on behalf of the Council to reject all submitted bids. Brian Brower, City Attorney, responded the procurement officer could reject any bids.

Mr. Howes believed adjustments could be made to the project and bid prior to its next release which could help the bids come closer to the estimated amount.

DISCUSSION ON THE 2015/2016 FISCAL YEAR BUDGET

Rich Knapp, Administrative Services Director, distributed a budget handout which explained changes to the budget since it was last seen by the Council. He also reviewed the notes associated with the five Enterprise Funds.

He stated the Utility Administrative Fund had been established to track utility billing costs and reported it included all late fees. Adam Lenhard, City Manager, emphasized one of the purposes of the fund was to ensure the Enterprise Funds were paying their share of costs related to the General Fund. He reported the late fees totaled nearly \$100,000 per year.

He explained one of the pressures to the Enterprise Funds was the new allocation for overhead which would eliminate the subsidy from the General Fund. He stated forty percent of the utility billing supervisor's payroll costs originated from that account.

Mr. Knapp reviewed the revenues and expenditures to the Water Fund and explained there were increases associated with a vehicle, materials and an increase from Weber Basin Water. He stated the budget included capital water projects. He added the net of the fund was negative and explained depreciation costs were included in the budget process.

Adam Lenhard, City Manager, announced discussions had taken place regarding a possible water capital project which was new since it was last discussed with the Council. Scott Hodge, Public Works Director, explained the City had recently experienced several water leaks in one specific area near 25 North. He mentioned there had been four leaks within the previous two months and

staff was proposing an \$85,000 repair to replace a section of pipe. Mr. Lenhard emphasized the expenditure would be added to the previously identified list of water capital projects.

Mr. Knapp reminded that Council that the City was conducting a Utility Rate Study which was funded from Water, Sewer and Storm Water accounts. He believed the study was necessary to justify the City's utility rates. Councilmember Benson asked if additional information would be provided to the City by completing the study that it didn't already have. Mr. Knapp responded he was looking for justification specific to the base rate for water. Mr. Lenhard added there was a lot of information which would be included in the study, most importantly it would identify the infrastructure which had been completed since the last study in addition to ensuring the rates were appropriate for allowing the City to afford future projects. He mentioned it would also include growth and development projections. JJ Allen, Assistant City Manager, stated it would also provide information on how the City should structure its rates and mentioned the City didn't have a separate commercial rate and emphasized one shouldn't subsidize the other.

Mr. Knapp mentioned the City was completing an Impact Fee Study and reported some of the same information was relative to the Rate Study. He emphasized the study would need to be completed by January in order for any required change to the rates.

Mr. Knapp directed the Council to the Sewer Capital Projects. Mr. Knapp informed the Council that the City spent more on Capital Projects than what had been depreciated and stated rating agencies liked that. He also directed the Council to the Storm Capital Projects.

Mr. Knapp pointed out Phase II of the Public Works Facility had been divided between all funds and believed the City could cash fund it but Phase III would require debt. He reported the only debt in the Enterprise Funds was the Water Bond which should be paid off in 2020.

Mr. Knapp reminded the Council the City provided a no-fee neighborhood dumpster program last year in which the City subsidized the cost to residents. He reported the average cost each time was approximately \$138 and reminded the Council of a previous discussion at which time it was determined to assess \$50 to the resident. He reported there currently were not funds to continue the project until July 1, 2015 unless the Council wanted to amend the current budget and a discussion took place.

Mr. Knapp reviewed revenues with the Council and pointed out they were above operating expenses. He also reviewed the Internal Service Funds, Fleet Fund and Risk Management Fund and reported their revenues matched the expenditures.

Councilmember Benson requested clarification regarding the dumpster program. Mr. Knapp responded the \$50 assessed fee would go into effect July 1, 2015 and a discussion took place. The Council directed staff to proceed with the dumpster program beginning July 1, 2015 as discussed. Councilmember Benson pointed out the City clean-up was still ongoing in the upcoming weekend.

Councilmember Benson moved to adjourn the work session and reconvene in a CDRA work session at 6:51 p.m., seconded by Councilmember Jones. The motion carried upon the

**following vote: Voting AYE – Councilmembers Benson, Bush, Jones, LeBaron and Young.
Voting NO – None.**

The minutes for the CDRA are in a separate location

DRAFT

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:30 P.M. WORK SESSION
May 12, 2015

PRESIDING:	Mike LeBaron	Mayor Pro Tem
PRESENT:	Kent Bush Ron Jones Bruce Young	Councilmember Councilmember Councilmember
PRESENT: VIA TELEPHONE:	Mark Shepherd	Mayor
EXCUSED:	Keri Benson	Councilmember
STAFF PRESENT:	Adam Lenhard JJ Allen Brian Brower Greg Krusi Scott Hodge Eric Howes Curtis Dickson Scott Hess Rich Knapp Lee Naylor Nancy Dean Kim Read	City Manager Assistant City Manager City Attorney Police Chief Public Works Director Community Services Director Community Services Deputy Dir. Development Services Manager Administrative Services Director Accountant City Recorder Deputy Recorder

VISITORS: Nike Peterson – Planning Commission Chair

Mayor Pro Tem LeBaron called the meeting to order at 6:31 p.m.

DISCUSSION ON THE 2015/2016 FISCAL YEAR BUDGET

Rich Knapp, Administrative Services Director, stated the Council would be approving the Tentative Budget during the policy session following the work session. He reported there had been changes made to the budget document which had not yet been presented to the Council and stated he would be reviewing them. Mr. Knapp stated the following items had been added to the tentative budget the Council would be approving:

Multiple Funds

- Adjustments to health insurance
- Adjustment to vision insurance
- Adjustment to dental insurance

General Fund Revenues

- Sign Permit typo corrected
- Added court revenue for potential caseload increase
- Movement of restricted E911 monies

Expenditures

- Changed the Justice Court judge position from part-time to full-time
- Small area plan/Form based code grant match
- Financial Software
- IT – Hardware
- Increase for fleet replacement
- Moved E911 to Dispatch

Councilmember Young clarified the E911 funds were still being appropriated for E911. Mr. Knapp responded the funds were now unrestricted and be used for operations as opposed to only setting them aside for future capital expenses.

- Building full time employee was missed
- Added to operating fleet costs for all divisions to cover maintenance costs associated with the fleet.

The Net change to the General Fund was (\$49,000).

Enterprise Fund

- Replace Water Line at 25 North 1400 West to 1450 West
- Recycling Revenue and Expenses
- Waste second can increase of .50
- Waste first can decrease of .50

Councilmember Bush inquired if the fee for the recycle can would be a little higher than the actual cost. Mr. Knapp stated that had not yet been determined. Adam Lenhard, City Manager, stated that would be brought to the Council during the adoption of the Consolidated Fee Schedule in June. JJ Allen, Assistant City Manager, clarified the recycling had been built into the revenues/expenditures of the budget. Mr. Knapp responded in the affirmative.

Mr. Knapp presented and reviewed budget highlights with the Council:

Revenues

- PARAT Tax
- Increase to Sales Tax
- Increase to Fuel Tax
- Maintain the property tax rate at .0018 which may result in a Truth in Taxation process. He explained fewer monies would go toward the payment of the General Obligation Bond debt service and more would go toward the General Fund expenses. Mr. Lenhard added the tax rate would be determined based upon the assessed amount received by Davis County. He stated the City anticipated the real property assessment would follow the “increase” trend and indicated if the assessment came in higher, the City was

proposing to keep the tax rate at the .0018 and adjust the debt service portion. Mr. Knapp pointed out the increase to the property tax revenue had not currently been built into the budget.

- Pass through fee increase for the North Davis Sewer District
- Pass through fee increase to provide curbside recycling
- Increase cost allocation from Enterprise Fund to General Fund. Mr. Lenhard believed the figure proposed was a much more accurate appropriation to the cost generated by managing the funds. He reported Mr. Knapp had completed a very detailed analysis which reflected the true costs.

Personnel

- 2 percent merit increase built into the budget
- 4.4 percent health insurance increase
- Dental and vision insurance to match City portion
- Planning Intern and Management Intern, Part time building employee added
- Lower grade IT position added
- Addition of the Assistant City Attorney
- Full Time Justice Court judge from Part Time
- Funding for a formal compensation plan study

Capital Projects

- Spending over \$1,000,000 in General Fund Capital Projects and Equipment.
- Steed Irrigation \$300,000
- Public Works Facility Phase II Design - \$150,000
- 400 East 1700 South to 1850 South Street Reconstruction - \$175,000
- 911 Phone System with an 80 percent grant – Total \$125,000
- Parks Equipment - \$71,000
- IT Equipment - \$95,000
- Enterprise Funds Capital Expenditures - \$2.7 million

Other

- Use of available cash of unrestricted fund balance in the General Fund - \$572,000
- Ending Unrestricted Fund Balance (conservative estimate) – 19.5 percent

Mr. Knapp noted last year that figure was over 25 percent and pointed out the City was spending down its reserves. Mr. Lenhard reminded the Council that had been discussed numerous times and most of that was due to the South Main Street reconstruction project and the Steed Park irrigation project. He pointed out both of those projects were much needed and would have a big impact to the residents. Mr. Knapp pointed out the highlights were “unrestricted” funds. He expressed concern about the sewer fund ending balance and reported an analysis would be completed to determine if the fund was healthy.

Mr. Knapp inquired if the Council had any questions he could address and there were none. He pointed out the page numbers on the right hand column of the presentation correlated to the page of the budget.

DISCUSSION ON THE DEVELOPMENT AGREEMENT FOR THE ROSENBERG
SUBDIVISION LOCATED AT APPROXIMATELY 938 SOUTH 2000 EAST

Mayor Pro Tem LeBaron announced staff had received an email requesting the item be removed from the agenda and indicated it wouldn't be addressed during the policy session. Adam Lenhard, City Manager, added the developer had requested the item be placed on the City Council agenda for Tuesday, May 26, 2015.

Councilmember Bush moved to adjourn the work session and reconvene in a CDRA work session at 6:55 p.m., seconded by Councilmember Jones. The motion carried upon the following vote: Voting AYE – Councilmembers Bush, Jones, LeBaron and Young. Voting NO – None. Councilmember Benson was not present for the vote.

The minutes for the CDRA are in a separate location

CLEARFIELD CITY COUNCIL MEETING MINUTES
7:00 P.M. POLICY SESSION
June 9, 2015

PRESIDING:	Mark Shepherd	Mayor
PRESENT:	Keri Benson	Councilmember
	Kent Bush	Councilmember
	Ron Jones	Councilmember
	Mike LeBaron	Councilmember
	Bruce Young	Councilmember
STAFF PRESENT:	Adam Lenhard	City Manager
	JJ Allen	Assistant City Manager
	Brian Brower	City Attorney
	Scott Hodge	Public Works Director
	Greg Krusi	Police Chief
	Scott Hess	Development Services Manager
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Rich Knapp	Administrative Services Director
	Nancy Dean	City Recorder
	Kim Read	Deputy City Recorder

VISITORS: Trent Nelson, Kathryn Murray

Mayor Shepherd called the meeting to order at 7:01 p.m.

Mayor Shepherd informed the citizens present that if they would like to comment during Public Hearings or Citizen Comments there were forms to fill out by the door.

Councilmember Bush conducted the Opening Ceremony.

APPROVAL OF THE MINUTES FROM THE MAY 26, 2015 POLICY SESSION, THE MAY 27, 2015 APPEAL HEARING AND THE JUNE 2, 2015 WORK SESSION

Councilmember Young moved to approve the minutes from the May 26, 2015 policy session, the May 27, 2015 appeal hearing, and the June 2, 2015 work session, as written, seconded by Councilmember Benson. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Jones, LeBaron and Young. Voting NO – None.

PUBLIC HEARING TO RECEIVE COMMENT ON THE 2015/2016 FISCAL YEAR BUDGET

Utah Code required cities to hold a public hearing regarding the adoption of the upcoming fiscal year budget. City staff prepared and submitted to the Council a balanced tentative budget for the

fiscal year 2015/2016 which would begin July 1, 2015 and end June 30, 2016. The submitted tentative budget was adopted on May 12, 2015 and included all funds.

Rich Knapp, Administrative Services Director, informed the Council that the public hearing was not legally required since the City was not adopting its final budget and would be conducting the Truth in Taxation process. He stated he had completed a study about the effects of what to expect if the City adopted the certified tax rate provided by Davis County compared to maintaining its current tax rate. He explained the City's assessed property tax values had increased; therefore, the tax rate decreased and staff was proposing the rate remain the same.

Mr. Knapp referred to the handout distributed during the work session and explained the figures highlighted in blue were indicative of next fiscal year and the first blue column reflected figures if the City were to adopt the tax rate provided by Davis County and the second blue column reflected figures if the City maintained its current tax rate. He clarified the first column highlighted in orange reflected figures for the current 2015 fiscal year. He emphasized the first blue column also included the reduction in the General Obligation Bond levy.

Mr. Knapp referred to the handout and pointed out the average home value for the current fiscal year was \$153,000 which paid \$151.47 to the City and if the tax rate was maintained on the average home value for this current fiscal year of \$157,464 the City would receive \$155.89, which would be an additional \$4.42 per year. He clarified if the City didn't maintain the tax rate the City's revenue from property taxes would decrease to \$139.78. He summarized the difference was approximately \$4.42.

Mr. Knapp announced the budget would not be adopted until Tuesday, August 11, 2015, because of the requirements associated with the Truth in Taxation process. He stated the City would be operating under the tentative budget beginning July 1, 2015 until then. He added a public hearing for the Truth in Taxation process would also take place on Tuesday, August 11, 2015.

Mayor Shepherd opened the public hearing at 7:09 p.m.

Mayor Shepherd asked for public comments.

There were no public comments.

Councilmember LeBaron moved to close the public hearing at 7:09 p.m. seconded by Councilmember Young. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Jones, LeBaron and Young. Voting NO – None.

CITIZEN COMMENTS

There were no citizen comments.

APPROVE CLEARFIELD CITY'S ANALYSIS OF IMPEDIMENTS (AI) TO FAIR HOUSING CHOICE 2015

The Council had an opportunity to review the Analysis of Impediments (AI) to Fair Housing Choice 2015. Citizens were given the opportunity to review the plan in the Community Development Department from May 11, 2015 to May 26, 2015. Comments on the plan were submitted from City staff as well as Michele Hutchins with HUD's Office of Fair Housing & Equal Opportunity.

Scott Hess, Development Services Manager, explained the plan was part of the City's Community Development Block Grant program. He stated the Analysis of Impediments to Fair Housing Choice 2015 reflected interesting analysis and highlighted the following:

- The City had adequate low income housing but not enough high end housing. The study suggested holding the remainder of housing property for large lot single family housing.
- The City had a large population of minorities, disabled, low income and other protected classes. The study suggested completing a Regional Analysis of Impediments to determine populations of segregated minority clusters.
- Is the housing compatible with ADA requirements?

Mr. Hess stated the study should drive the City's CDBG funding; however, since there was a housing cap, most of the funds had been used for infrastructure projects. He reported the City contracted with Megan James to complete the study.

Councilmember Benson moved to approve Clearfield City's Analysis of Impediments (AI) to Fair Housing Choice 2015 and authorize the Mayor's signature to any necessary documents, seconded by Councilmember LeBaron. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Jones, LeBaron and Young. Voting NO – None.

APPROVAL OF ORDINANCE 2015-12 AMENDING THE CONSOLIDATED FEE SCHEDULE

Staff was recommending certain amendments to the City's Consolidated Fee Schedule including the addition of fees for curbside recycling and receptacles, adjustments to residential solid waste fees and utility fees, the elimination of the disconnect/reconnect fees and a construction water fee associated with building permits.

Rich Knapp, Administrative Services Director, summarized the following changes to the Consolidated Fee Schedule:

- Reduction in the cost for the first trash container by .50 from \$15.25 to \$14.75
- Additional trash container fee increase by .50 from \$7 to \$7.50
- Recycling fee added for curbside recycling \$3.90
- Utility service fee increase from \$25-\$35 on delinquent accounts.
- New construction jumper would have flat fee of \$50

Councilmember Bush moved to approve Ordinance 2015-12 amending the Consolidated Fee Schedule and authorize the Mayor's signature to any necessary documents, seconded by Councilmember Young. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Jones, LeBaron and Young. Voting NO – None.

APPROVAL OF THE AWARD OF BID TO CONSOLIDATED PAVING AND CONCRETE INC. TO PERFORM WORK AS DESCRIBED FOR THE 2015 ROADWAY MAINTENANCE PROJECT

Bids were received from three construction companies to perform the work for the 2015 Roadway Maintenance Project. The scope of work consisted of reconstruction of 400 East from 1700 South to 1850 South; installation of a pavement chip seal treatment to various roads throughout the City; and installation of a slurry seal on the cemetery road. The lowest responsible bid was received from Consolidated Paving and Concrete Inc. with the bid amount of \$272,343.45.

Scott Hodge, Public Works Director, stated the project was similar to previous projects for maintenance work on City streets. He explained the project would consist of rebuilding the section of street on 400 East from 1700 South (Antelope Drive) to approximately 1850 South. He added the project also included chip seal repair on other streets and a slurry seal for the roadways in the cemetery. He reported Consolidated Paving was the low bidder and informed the Council that the City had no previous experience with the vendor.

Councilmember Jones moved to approve the award of bid to Consolidated Paving and Concrete Inc. to perform the work for the 2015 Roadway Maintenance Project for the bid amount of \$273,343.45; and approve funding of the project for the bid amount of \$273,343.45 with contingency and engineering costs of \$54,656.55 for a total project cost of \$328,000.00; and authorize the Mayor's signature to any necessary documents, seconded by Councilmember Benson. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Jones, LeBaron and Young. Voting NO – None.

APPROVAL OF THE FINDINGS, CONCLUSIONS AND DETERMINATION OF THE APPEAL AUTHORITY REGARDING THE PLANNING COMMISSION'S DECISION TO GRANT A CONDITIONAL USE PERMIT AND SITE PLAN APPROVAL (CUP-SP 1503-0004) FOR STAKER & PARSONS COMPANIES ON PROPERTY LOCATED AT 690 WEST 1700 SOUTH

On May 27, 2015, acting in a quasi-judicial capacity as the land use appeal authority, the City Council heard appeals regarding the Planning Commission's decision to grant a Conditional Use Permit and Site Plan Approval (CUP-SP 1503-0004) for Staker & Parsons Companies on property located at 690 West 1700 South.

Councilmember LeBaron moved to approve and adopt the Findings, Conclusions and Determination of the Appeal Authority regarding the Planning Commission's decision to grant a Conditional Use Permit and Site Plan approval (CUP-SP 1503-0004) for Staker & Parsons Companies on property located at 690 West 1700 South and authorize the Mayor's

signature to any necessary documents, seconded by Councilmember Jones. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Jones, LeBaron and Young. Voting NO – None.

COMMUNICATION ITEMS

Mayor Shepherd

1. Informed the Council that he had participated in the See Me Save Me motorcycle ride last week which rode through the City. He added there were approximately 350 riders from HAFB.
2. Announced he would be attending the F-35 Maintenance Wing activation on Wednesday, June 10, 2015.

Councilmember Benson – Announced the first auditions for Clearfield’s Got Talent took place on Monday, June 8, 2015. She stated there were eight performances and announced the next audition was scheduled for Friday, June 19, 2015. She encouraged talent of any variety to participate.

Councilmember Bush

1. Stated he had enjoyed the Council Open House held at Wasatch Elementary on Tuesday, June 1, 2015.
2. Informed the Council that he liked the Clearfield Aquatic Center’s new name, “Aquatics and Fitness Center”.
3. Reported he had presented the Kiwanis’ “Hope of America” Award at five elementary schools within the community.

Councilmember Jones – expressed appreciation to staff regarding the updates and constant information being provided regarding the safety of the City’s water during Clinton and Syracuse cities E-coli contamination.

Councilmember LeBaron

1. Expressed agreement with Councilmembers Jones’ comments regarding the City’s water.
2. Complimented the Police Department and NDFD for their rapid response regarding a missing child. He stated from the time of the reverse 911 call to locating the missing child was approximately two hours. He mentioned it was great that everyone worked in unison to cover 12 square miles in a matter of two hours and reported the child was located in a neighbor’s garage.

Councilmember Young – Announced Davis County Mosquito Abatement had begun spraying for mosquitos. He mentioned it had been a wet and early season for mosquitos and stated residents could call requesting their neighborhood be sprayed.

Adam Lenhard, City Manager – nothing to report.

STAFFS’ REPORTS

Nancy Dean, City Recorder

1. Announced Declaration of Candidacy ended on Monday, June 8, 2015 at 5:00 p.m. She reported there were four candidates and announced a Primary Election would not take place on Tuesday, August 11, 2015. She stated the General Election would take place on Tuesday, November 3, 2015.
2. Reviewed the Council’s calendar:

- Tuesday, June 23, 2015 policy session. She stated several members of staff, Mayor Shepherd and Councilmember Benson would be excused and would have the opportunity to participate electronically.
- No meeting was scheduled for Tuesday, June 16, 2015.

Councilmember Jones moved to adjourn as the City Council and reconvene as the Community Development and Renewal Agency (CDRA) at 7:26 p.m., seconded by Councilmember Benson. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Jones, LeBaron and Young. Voting NO – None.

The minutes for the CDRA are in a separate location

DRAFT

RESOLUTION NO. 2015R-12

A RESOLUTION OF THE CLEARFIELD CITY COUNCIL ACTING AS THE GOVERNING BODY OF THE NORTH DAVIS FIRE DISTRICT ADOPTING AND CERTIFYING A TAX RATE TO THE DAVIS COUNTY CLERK-AUDITOR AND THE BOARD OF COUNTY COMMISSIONERS OF DAVIS COUNTY FOR PROPERTY LOCATED WITHIN THE DISTRICT FOR THE 2015 TAXABLE YEAR

WHEREAS, the Clearfield City Council ("Council") acted as the Governing Body for the purpose of creating the North Davis Fire District ("District") as a Special Service District in accordance with the Utah Special Service District Act §§ 17D-1-101 et seq. Utah Annotated, 1953 (the "Act"); and

WHEREAS, the Council created the Administrative Control Board in accordance with the provisions of §17D-1-301 of the Act and delegated to the Administrative Control Board the power to act as the governing authority of the District; and

WHEREAS, the Council cannot lawfully delegate to the Administrative Control Board the power to levy a tax on the taxable property within the District and the Council retains the power and duty to levy a tax on the taxable property within the District; and

WHEREAS, the Administrative Control Board desires to have the Council, as the Governing Body of the District, establish a certified tax rate for the 2015 taxable year at a rate of .001301 per dollar of taxable value on all taxable property within the District, in addition to all other taxes levied or imposed on such property within the District for the purpose of funding operating expenses and capital improvements and to provide fire protection, emergency medical and ambulance services and consolidated 911 and emergency dispatch services within the District; and

WHEREAS, the Administrative Control Board has passed and adopted its Resolution No. 2015R-5 on June 18, 2015, requesting that the Council adopt a Resolution certifying a tax rate of .001301; and

WHEREAS, a regular meeting was duly noticed and held at which time the Council considered the certified tax rate for the District.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CLEARFIELD CITY COUNCIL:

Section One: CERTIFIED TAX RATE ESTABLISHED

That the Certified Tax Rate on all taxable property lying and being within the district boundaries of the North Davis Fire District for the 2015 taxable year be, and the same is hereby fixed, set and established at a rate of .001301.

Section Two: CERTIFIED COPIES OF RESOLUTION TO COUNTY OFFICIALS

That the City Recorder of Clearfield City is hereby authorized and directed forthwith to certify a copy of this Resolution and forward and direct one copy each to the Davis County Clerk-Auditor and the Davis County Board of Commissioners in Farmington, Utah.

Section Three: LEVY, COLLECTION AND REMITTANCE OF TAXES

The Clearfield City Council requests that the Board of Commissioners of Davis County include this Certified Tax Rate in its levying process for property taxes for the 2015 taxable years and that such tax be extended and collected in the manner provided by law for the collection of general county taxes and that the proceeds thereof, as collected, be turned over to the treasurer of the North Davis Fire District and that said taxes in all respects be collected and delivered to the North Davis Fire District according to law.

Section Four: EFFECTIVE DATE

This Resolution shall be effective immediately upon passage and adoption.

PASSED AND ADOPTED by the Clearfield City Council this 23rd day of June, 2015.

CLEARFIELD CITY CORPORATION
a Utah Municipal Corporation

Mark Shepherd
Mayor

ATTEST:

Nancy Dean,
City Recorder

Vote of the Council

Ayes: _____

Nays: _____

CLEARFIELD CITY RESOLUTION 2015R-13

**A RESOLUTION APPROVING AND ADOPTING
AMENDMENTS TO THE 2014/2015 BUDGET AND
APPROPRIATING FUNDS FOR THE PURPOSES SET FORTH
THEREIN**

WHEREAS, Clearfield City is nearing the end of its budget period which began on July 1, 2014 and ends on June 30, 2015; and

WHEREAS, the City Council has approved some expenditures that were not included in the original budget; and

WHEREAS, Utah state code allows the City Council to make adjustments to the budget; and

WHEREAS, proper notice of the public hearing for this matter was given; and

WHEREAS, Clearfield City has considered and approved those amendments.

NOW, THEREFORE, be it resolved by the Clearfield City Council that the amendments to the Clearfield City budget beginning July 1, 2014 and ending June 30, 2015 as set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference are authorized and approved.

The Mayor is authorized to sign any documents reflecting those amendments.

Passed and adopted at the Clearfield City Council meeting held on Tuesday, June 23, 2015.

Dated this 23rd day of June, 2015.

ATTEST

CLEARFIELD CITY CORPORATION

Nancy R. Dean, City Recorder

Mark R. Shepherd, Mayor

VOTE OF THE COUNCIL

AYE:

NAY:

Staff Report

To: Mayor Mark Shepherd and City Councilors
From: Rich Knapp, Administrative Services Director
Date: June 16, 2015
Re: Parameters Resolution for Sales Tax Bond Refunding



Rich Knapp

Recommended Action

Staff recommends the City Council approve the parameters resolution to refund the 2006 sales tax bond.

Description / Background

This resolution will start the process to refinance the 2006 sales tax revenue refunding bonds. The resolution authorizes a publication in the newspaper and on the public meeting website declaring the city's intent to issue refunding bonds. The publication will outline the maximum parameters within which we will be able to sell the bonds. These parameters will necessarily be very broad to cover all sorts of possibilities. We may issue these bonds as taxable bonds. We may issue these bonds as tax exempt bonds. We may issue convertible "Cinderella" bonds. The parameters are meant to cover all of the bases.

Fiscal Impact

The current total potential savings from refinancing/refunding for the last twelve years of this bond are \$500,000 to \$750,000. The market and timing will change the estimated savings.

Clearfield, Utah

June 23, 2015

The City Council (the "Council") of the Clearfield City (the "City"), met in regular session in Clearfield, Utah, on June 23, 2015, at 7:00 p.m., with the following Councilmembers being present either personally or electronically (by phone):

Mark Shepherd	Mayor
Kent Bush	Councilmember
Mike LeBaron	Councilmember
Keri Benson	Councilmember
Bruce Young	Councilmember
Ron Jones	Councilmember

Also present:

Nancy Dean	City Recorder
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Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this June 23, 2015, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and pursuant to motion duly made by Councilmember _____ and seconded by Councilmember _____, was adopted by the following vote:

AYE:

NAY:

The resolution is as follows:

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF CLEARFIELD CITY, UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$9,950,000 AGGREGATE PRINCIPAL AMOUNT OF SALES TAX REVENUE REFUNDING BONDS, SERIES 2015; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; PROVIDING FOR THE PUBLICATION OF A NOTICE OF BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the “Council”) of the Issuer desires to (a) refund a portion of the Issuer’s currently outstanding sales tax revenue bonds (the “Refunded Bonds”), (b) fund a debt service reserve fund, if necessary, and (c) pay costs of issuance with respect to the Series 2015 Bonds herein described; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, and subject to the limitations set forth herein, the Issuer desires to issue its Sales Tax Revenue Refunding Bonds, Series 2015, pursuant to (a) the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the “Act”) and (b) this resolution (the “Resolution”); and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity may give notice of its intent to issue such bonds and the Issuer desires to publish such notice in compliance with the Act, with the objective of creating a net benefit savings; and

WHEREAS, the Act provides for the publication of a Notice of Bonds to be Issued, and the Issuer desires to publish such a notice at this time in compliance with the Act with respect to the Series 2015 Bonds.

NOW, THEREFORE, it is hereby resolved by the City Council of Clearfield City, Utah, as follows:

Section 1. For the purpose of (a) refunding the Refunded Bonds, (b) funding a deposit to a debt service reserve fund, if necessary, and (c) paying costs of issuance of the Series 2015 Bonds, the Issuer hereby authorizes the issuance of the Series 2015 Bonds which shall be designated “Clearfield City, Utah Sales Tax Revenue Refunding Bonds, Series 2015” (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined) in an aggregate principal amount not to exceed \$9,950,000. The Series 2015 Bonds shall mature in not more than fourteen (14) years from their date or dates, shall be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, shall bear interest at a rate or rates

not to exceed seven percent (7.00%) per annum, or at a variable rate or rates of not to exceed twelve percent (12.0%) over the life of the Series 2015 Bonds, all pursuant to this Resolution and a final authorizing resolution to be adopted by the Council authorizing and confirming the issuance and sale of the Series 2015 Bonds (herein referred to as the “Final Bond Resolution”), a General Indenture of Trust (the “General Indenture”) and a Supplemental Indenture of Trust (the “Supplemental Indenture”) and, collectively with the General Indenture, the “Indenture”), and the Council hereby declares its intention to issue the Series 2015 Bonds according to the provisions of this section, the Final Bond Resolution when adopted, the Indenture and other documents authorized thereby.

Section 2. The Issuer hereby authorizes and approves the issuance and sale of the Series 2015 Bonds pursuant to the provisions of this Resolution, the Final Bond Resolution to be adopted by the Council authorizing and confirming the issuance and sale of the Series 2015 Bonds, and the Indenture, with the General Indenture and Supplemental Indenture to be in substantially the forms as were before the Council at the time of adoption of this Resolution and in the final forms as shall be approved by the Council upon the adoption of the Final Bond Resolution.

Section 3. In accordance with the provisions of the Act, the City Recorder shall cause the following “Notice of Bonds to be Issued” to be (i) published one (1) time in Ogden Standard Examiner, a newspaper of general circulation in the Issuer, (ii) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) and (iii) posted on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended, and shall cause a copy of this Resolution and the Indenture to be kept on file in the City Recorder’s office in Clearfield, Utah, for public examination during the regular business hours of the City until at least thirty (30) days from and after the date of publication thereof. The “Notice of Bonds to be Issued” shall be in substantially the following form:

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "Act"), that on June 23, 2015, the City Council (the "Council") of Clearfield City, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Sales Tax Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds") (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer).

PURPOSE FOR ISSUING THE SERIES 2015 BONDS

The Series 2015 Bonds will be issued for the purpose of (a) refunding a portion certain outstanding sales tax revenue bonds of the Issuer, (b) funding any required debt service reserve fund, and (c) paying costs of issuance of the Series 2015 Bonds.

PARAMETERS OF THE SERIES 2015 BONDS

The Issuer intends to issue its Sales Tax Revenue Refunding, Series 2015, in the aggregate principal amount of not more than Nine Million Nine Hundred Fifty Thousand Dollars (\$9,950,000), to mature in not more than fourteen (14) years from their date or dates, to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, and bearing interest at a rate or rates not to exceed seven percent (7.00%) per annum, or at a variable rate or rates of not to exceed twelve percent (12.0%) over the life of the Series 2015 Bonds. The Series 2015 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a General Indenture of Trust and a Supplemental Indenture of Trust (collectively, the "Indenture") which were before the Council and attached to the Resolution in substantially final form at the time of the adoption of the Resolution and said Indenture is to be executed by the Council in such form and with such changes thereto as shall be approved by the Mayor; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2015 Bonds will not exceed the maximums set forth above.

EXCISE TAXES PROPOSED TO BE PLEDGED

The Issuer proposes to pledge 100% of the Local Sales and Use Tax revenues received by the Issuer pursuant to Title 59, Chapter 12, Part 2, Utah Code Annotated 1953, as amended to the payment of the Bonds.

A copy of the Resolution and the Indenture are on file in the office of the Clearfield City Recorder, 55 South State Street, Clearfield, Utah, where they may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m., Monday through Friday, for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture (but only as it relates to the Series 2015 Bonds), or the Series 2015 Bonds, or any provision made for the security and payment of the Series 2015 Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this June 23, 2015.

/s/Nancy Dean
City Recorder

Section 4. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

PASSED, ADOPTED AND APPROVED this June 23, 2015.

CLEARFIELD CITY, UTAH

(SEAL)

Mayor

ATTEST:

City Recorder

(
STATE OF UTAH)
 : ss.
COUNTY OF DAVIS)

I, Nancy Dean, the duly appointed and qualified City Recorder of Clearfield City, Utah (the "City"), do hereby certify according to the records of the City Council of the City (the "City Council") in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the City Council held on June 23, 2015, including a resolution (the "Resolution") adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on June 23, 2015, and pursuant to the Resolution, there was published a Notice of Bonds to be Issued (a) one time in the Ogden Standard Examiner, a newspaper having general circulation within the City, with the affidavit of such publication attached hereto upon availability, (b) on the Utah Public Notice Website created under Section 63F-1-701 Utah Code Annotated 1953, as amended and (c) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this June 23, 2015.

(SEAL)

By: _____
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Nancy Dean, the undersigned City Recorder of Clearfield City, Utah (the “City”), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the June 23, 2015, public meeting held by the City Council of the City (the “City Council”) as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the principal offices of the City on June____, 2015, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to the Ogden Standard Examiner on June ____, 2015, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>).

In addition, the Notice of 2015 Annual Meeting Schedule for the City Council (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the City Council to be held during the year, by causing said Notice to be (a) posted on _____, at the principal office of the City Council, (b) provided to at least one newspaper of general circulation within the City on _____, and (c) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this June 23, 2015.

(SEAL)

By: _____
City Recorder

Attachments

SCHEDULE 1–NOTICE OF MEETING

SCHEDULE 2–ANNUAL MEETING SCHEDULE

(attach Proof of Publication of Notice of Bonds to be Issued)

EXHIBIT B

FORM OF INDENTURE

(See Transcript Document Nos. ___ and ___)

CLEARFIELD CITY, DAVIS COUNTY, UTAH
SALES TAX REVENUE BONDS

GENERAL INDENTURE OF TRUST

Dated as of April 1, 2003

U.S. Bank National Association,
as Trustee

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THIS GENERAL INDENTURE OF TRUST, dated as of April 1, 2003, by and between Clearfield City, Davis County, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "Issuer"), and U.S. Bank National Association., a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts, as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, the Issuer desires to finance and/or refinance all or a portion of the costs of facilities, equipment and improvements for the benefit of the Issuer pursuant to the Utah Municipal Bond Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and/or the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"); and

WHEREAS, the Issuer is authorized under the Act to issue its bonds secured by a pledge of and payable from the Revenues described herein; and

WHEREAS, the Issuer desires to pledge said Revenues toward the payment of the principal and interest on Bonds issued hereunder:

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

For and in consideration of the premises, the mutual covenants of the Issuer and the Trustee, the purchase from time to time of the Bonds by the Registered Owners thereof, the issuance by the Security Instrument Issuers from time to time of Security Instruments and the issuance by Reserve Instrument Providers from time to time of Reserve Instruments, and in order to secure the payment of the principal of and premium, if any, and interest on the Bonds, of all Security Instrument Repayment Obligations according to their tenor and effect and of all Reserve Instrument Repayment Obligations according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein, in the Bonds, in all Security Instrument Agreements and in all Reserve Instrument Agreements, the Issuer does hereby convey, assign and pledge unto the Trustee and unto its successors in trust forever all right, title and interest of the Issuer in and to (i) the Revenues, (ii) all moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund), and (iii) all other rights hereinafter granted, first, for the further securing of the Bonds and all Security Instrument Repayment Obligations, and second, for the further security of all Reserve Instrument Repayment Obligations, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors and assigns in such trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust set forth in this Indenture, FIRST, for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds issued pursuant to and secured by this Indenture and all Security Instrument Issuers without privilege, priority or distinction as to the lien or otherwise of any Bond or Security Instrument Issuer over any other by reason of time of issuance, sale, delivery, maturity or expiration thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and premium, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, all Security Instrument Repayment Obligations, according to the true intent and meaning thereof and all Reserve Instrument Repayment Obligations, according to the true intent and meaning thereof, or shall provide, as permitted by this Indenture, for the payment thereof as provided in Article X hereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments or provisions for such payments by the Issuer, this Indenture, and the rights hereby granted, shall terminate; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be executed, authenticated, delivered, secured and accepted by all persons who from time to time shall be or become Registered Owners thereof, and the trusts and conditions upon which the Revenues are to be held and disposed, which said trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. As used in this Indenture, the following terms shall have the following meanings unless the context otherwise clearly indicates:

“Act” means collectively, the Utah Municipal Bond Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and, if applicable, the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended.

“Accreted Amount” means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds.

“Additional Bonds” means all Bonds issued under this Indenture other than the Initial Bonds.

“Administrative Costs” means all Security Instrument Costs, Reserve Instrument Costs and Rebatale Arbitrage required to be paid to the United States.

“Aggregate Annual Debt Service Requirement” means the sum of (i) the total Debt Service for any one Bond Fund Year on all Series of Bonds Outstanding or any specified portion thereof and (ii) any Repayment Obligations.

“Authorized Amount” means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

“Authorized Representatives” means the Mayor, Treasurer, Finance Director, or any other officer of the Issuer so designated in writing by the Issuer to the Trustee.

“Bond Fund” means Clearfield City, Utah Sales Tax Revenue Bond Fund created in Section 3.2 hereof to be held by the Trustee and administered pursuant to Section 5.3 hereof.

“Bond Fund Year” means the 12-month period beginning July 1 of each year and ending on the next succeeding June 30, except that the first Bond Fund Year shall begin on the date of delivery of the applicable Series of Bonds and shall end on the next succeeding June 30.

“Bondholder,” “Bondowner”, “Registered Owner” or “Owner” means the registered owner of any Bonds herein authorized.

"Bonds" means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to this Indenture, including the Initial Bonds and any Additional Bonds.

"Business Day" means (i) any day on which banking business is transacted, but not including any day on which banks are authorized to be closed, in New York City or in the city in which the Trustee has its principal corporate trust office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument, or (ii) as otherwise provided in a Supplemental Indenture.

"Capital Appreciation Bonds" means Bonds the interest on which (i) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (ii) is payable upon maturity or redemption of such Bonds.

"City Recorder" means the City Recorder of the Issuer or any successor to the duties of such office and any deputy to the City Recorder.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commercial Paper Program" means commercial paper obligations with maturities of not more than two hundred seventy (270) days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to Article II hereof and are outstanding up to an Authorized Amount.

"Construction Fund" means Clearfield City, Utah Sales Tax Revenue Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 5.1 hereof.

"Cost" or "Costs" or "Cost of Completion", or any phrase of similar import, in connection with a Project or with the refunding of any Bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project, or the refunding of any Bonds, including, without limiting the generality of the foregoing:

- (a) amounts payable to contractors and costs incident to the award of contracts;
- (b) cost of labor, facilities and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others and permits and licenses obtained by the Issuer or others;
- (c) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;

(d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(e) interest expenses, including interest on the Series of Bonds relating to a Project;

(f) printing, engraving and other expenses of financing, including premiums for municipal bond insurance fees, fees of financial advisors, fees of financial rating services and fees for issuance of bank letters of credit or similar banking arrangements and costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to interest rate exchanges (or the elimination thereof));

(g) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(h) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;

(i) amounts required to repay temporary or bond anticipation loans or notes made to finance the costs of a Project;

(j) cost of site improvements performed by the Issuer in anticipation of a Project;

(k) moneys necessary to fund the Funds created under this Indenture;

(l) costs of the capitalization with proceeds of a Series of Bonds issued hereunder and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as herein provided, of any discount on bonds or other securities, and of any reserves for the payment of the principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs and Reserve Instrument Costs;

(m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and

(o) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs.

In the case of refunding or redeeming any bonds or other obligations, "Cost" includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f) and (k) above, advertising and other expenses related to the redemption of such bonds to be redeemed and the redemption price of such bonds (and the accrued interest payable on redemption to the extent not otherwise provided for). Whenever Costs are required to be itemized, such itemization shall, to the extent practicable, correspond with the items listed above.

"Cross-over Date" means with respect to Cross-over Refunding Bonds the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

"Cross-over Refunded Bonds" means Bonds or other obligations refunded by Cross-over Refunding Bonds.

"Cross-over Refunding Bonds" means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

"Current Interest Bonds" means Bonds not constituting Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

"Debt Service" means, for any particular Bond Fund Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of (i) all interest payable during such Bond Fund Year on such Series of Bonds plus (ii) the Principal Installments payable during such Bond Fund Year on (a) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (b) such Repayment Obligations then outstanding;

provided, however, for purposes of Section 2.13 hereof,

(1) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Bond Fund Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at the maximum rate applicable to such Series of Variable Rate Bonds or related Repayment Obligations;

(2) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if each Rating Agency has reviewed and approved such Interest Rate Swap and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(3) when calculating interest payable during such Bond Fund Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (using the maximum rate in a manner similar to that described in (1) above, unless another method of estimation is more appropriate, in the opinion of the Issuer's financial advisor, underwriter or similar agent with the approval of each Rating Agency, for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized only if each Rating Agency has reviewed and approved such Interest Rate Swap and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(4) when calculating interest payable during such Bond Fund Year with respect to any Commercial Paper Program, "Debt Service" shall mean an amount equal to the sum of all principal and interest payments that would be payable during such Bond Fund Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of 30 years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at the maximum interest rate applicable to such Commercial Paper Program; and

(5) When calculating interest payable on Bonds that are Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations;

and further provided, however, that there shall be excluded from Debt Service (x) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (y) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, as amended, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, and (z) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations.

“Debt Service Reserve Fund” means Clearfield City, Utah Sales Tax Revenue Debt Service Reserve Fund created in Section 3.4 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

“Debt Service Reserve Requirement”, for a Series of Bonds, means the amount, if any, set forth in the Supplemental Indenture authorizing such Series of Bonds. The Debt Service Reserve Requirement applicable to any Series of Bonds may be funded by a Reserve Instrument as herein provided and, if provided in the related Supplemental Indenture, may be accumulated over time.

“Event of Default” means with respect to any default or event of default hereunder any occurrence or event specified in and defined by Section 7.1 hereof.

“Escrowed Interest” means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code, in connection with the issuance of Refunding Bonds or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

“Governing Body” means the City Council of the Issuer.

“Government Obligations” means solely one or more of the following:

(a) State and Local Government Series issued by the United States Treasury (“SLGS”);

(b) United States Treasury bills, notes and bonds, as traded on the open market;

(c) Zero Coupon United States Treasury Bonds; and

(d) Any other direct obligations of or obligations fully and unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as “REFCORP strips”).

“Gross Proceeds” means with respect to any Series of Bonds the gross proceeds of such Series of Bonds as defined in Section 148(f)(6)(B) of the Code and Section 1.148-1(b) of the Regulations.

“Indenture” means this General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of this Indenture.

“Initial Bonds” means the first Series of Bonds issued under this Indenture.

“Interest Payment Date” means the stated maturity date of an installment of interest on the Bonds.

"Interest Rate Swap" means an agreement between the Issuer or the Trustee and a Swap Counterparty related to Bonds of one or more Series whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

"Issuer" means Clearfield City, Davis County, Utah and its successors.

"Mayor" means the duly elected mayor of the Issuer or any successor to the duties of such office. Such term shall also include the Deputy Mayor except as the Deputy Mayor's powers may be limited by written declaration of the duly elected Mayor.

"Moody's" means Moody's Investors Service, Inc.

"Outstanding" or "Bonds Outstanding" means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under this Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to Article X of this Indenture; and

(p) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered hereunder, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

"Owner(s)" or "Registered Owner(s)" means the registered owner(s) of the Bonds according to the registration books of the Issuer maintained by the Trustee as Registrar for the Bonds pursuant to Sections 2.6, 6.5 and 11.5 hereof.

"Paired Obligations" means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

"Paying Agent" means the Trustee, appointed as the initial paying agent for the Bonds pursuant to Sections 6.6 and 11.5 hereof, and any additional or successor paying agent appointed pursuant hereto.

"Pledged Bonds" means any Bonds that have been (i) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (ii) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

“Principal” means (i) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case “Principal” means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (ii) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

“Principal Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at 15 West South Temple, 2nd Floor, Salt Lake City, Utah 84101, or such other or additional offices as may be specified by the Trustee.

“Principal Installment” means, as of any date of calculation, (i) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (a) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment and (ii) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

“Project” means the acquisition, construction, and/or improvement of capital facilities, equipment and/or improvements financed or refinanced with a Series of Bonds.

“Put Bond” means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a “Put Bond”.

“Qualified Investments” means any of the following securities:

(a) Government Obligations;

(b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer’s Home Administration; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA’s);

(c) Money market funds rated “AAAm” or “AAAm-G” or better by S&P and/or the equivalent rating of Moody’s or better (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund;

(d) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's or "A-1+" by S&P, and which matures not more than 270 days after the date of purchase;

(e) Bonds, notes or other evidences or indebtedness rated "AAA" by S&P and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(f) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(g) the fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer's Investment Fund; and

(h) Any other investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated 1953, as amended, including investments contracts permitted by Section 51-7-17(2)(d) thereof.

"Rating Agency" means Moody's or S&P and their successors and assigns. If either such corporation ceases to act as a securities rating agency, the Issuer may designate any nationally recognized securities rating agency as a replacement.

"Rating Category" or "Rating Categories" mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

"Rebatable Arbitrage" means with respect to any Series of Bonds the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

"Rebate Calculation Date" means, with respect to each Series of Bonds, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the Initial Rebate Calculation Date for such Series of Bonds, and the date of retirement of the last bond for such Series.

"Rebate Fund" means Clearfield City, Utah Sales Tax Revenue Rebate Fund created in Section 3.6 hereof to be held by the Trustee and administered pursuant to Section 5.7 hereof.

"Register" means the record of ownership of the Bonds maintained by the Registrar.

“Registrar” means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the initial registrar for the Bonds pursuant to Sections 2.6 and 11.5 hereof, and any additional or successor registrar appointed pursuant hereto.

“Regular Record Date” means the fifteenth day immediately preceding each Interest Payment Date or the date specified as the Regular Record Date in the Supplemental Indenture authorizing the issuance of a Series of Bonds.

“Regulations,” and all references thereto shall mean and include applicable final, proposed and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made hereafter.

“Remarketing Agent” means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

“Repayment Obligations” means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

“Reserve Instrument” means a device or instrument issued by a Reserve Instrument Issuer to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term “Reserve Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

“Reserve Instrument Agreement” means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture and providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

“Reserve Instrument Costs” means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

“Reserve Instrument Coverage” means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant hereto under all Reserve Instruments.

“Reserve Instrument Fund” means Clearfield City, Utah Sales Tax Revenue Reserve Instrument Fund created in Section 3.5 hereof to be held by the Trustee and administered pursuant to Section 5.6 hereof.

“Reserve Instrument Limit” means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not

been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the Bonds.

“Reserve Instrument Provider” means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company or other institution issuing a Reserve Instrument.

“Reserve Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs. Each Reserve Instrument Agreement and the Supplemental Indenture authorizing the execution and delivery of such Reserve Instrument Agreement shall specify the amounts payable under it which, when outstanding, shall constitute Reserve Instrument Repayment Obligations and shall specify the portions of such amounts that are allocable as principal of and as interest on such Reserve Instrument Repayment Obligations.

“Revenue Fund” means Clearfield City, Utah Sales Tax Revenue Fund created in Section 3.7 hereof to be held by the Issuer and administered pursuant to Section 5.2 hereof.

“Revenues” means 100% of the Local Sales and Use Tax revenues received by the Issuer pursuant to Title 59, Chapter 12, Part 2, Utah Code Annotated 1953, as amended.

“S&P” means Standard & Poor’s Rating Services.

“Serial Bonds” means those Bonds other than Term Bonds.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

“Sinking Fund Account” means Clearfield City, Utah Sales Tax Revenue Sinking Fund Account of the Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 5.4 hereof.

“Sinking Fund Installment” means the amount of money which is required to be deposited into the Sinking Fund Account in each Bond Fund Year as specified in the Supplemental Indenture authorizing the Bonds of a Series for the retirement of Term Bonds of such Series, if any (whether at maturity or by redemption), and including the redemption premium, if any.

“Special Record Date” means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with this Indenture.

“State” means the State of Utah.

“Supplemental Indenture” means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of Article IX hereof.

“Swap Counterparty” means a member of the International Swap Dealers Association rated in one of the three top rating categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

“Swap Payments” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Trustee on behalf of the Issuer.

“Swap Receipts” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Trustee for the account of the Issuer by the Swap Counterparty.

“Term Bonds” means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Sinking Fund Account.

“Trustee” means U.S. Bank National Association, Corporate Trust Department, 15 West South Temple, 2nd Floor, Salt Lake City, Utah 84101 or any successor corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

“Variable Rate Bonds” means, as of any date of calculation, Bonds the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate which is not susceptible to a precise determination.

Section 1.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by Security Instrument Issuers, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers pursuant hereto, this Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds, the Security Instrument Issuers and the Reserve Instrument Providers; and the pledge made in this Indenture and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be, FIRST, for the equal benefit, protection and security of the Owners of any and all of the Bonds and the Security Instrument Issuers of any and all of the Security Instruments all of which, regardless of the time or times of their issuance, delivery, maturity or expiration, shall be of equal rank without preference, priority or distinction of any of the Bonds or Security Instrument Repayment Obligations over any others, except as expressly provided in or permitted by this Indenture, and SECOND, for the equal benefit, protection and security of the Reserve Instrument Providers of any and all of the

Reserve Instruments which, regardless of the time or times of their issuance, delivery or termination, shall be of equal rank without preference, priority or distinction of any Reserve Instrument over any other thereof.

Section 1.3 Construction. This Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) The terms "hereby," "hereof," "herein," "hereto," "hereunder", and any similar terms used in this Indenture shall refer to this Indenture in its entirety unless the context clearly indicates otherwise.

(b) Words in the singular number include the plural, and words in the plural include the singular.

(c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.

(d) Articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated.

(e) The titles or leadlines applied to articles, sections and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Indenture.

ARTICLE II

THE BONDS

Section 2.1 Authorization of Bonds. There is hereby created for issuance hereunder an issue of Bonds which may, if and when authorized by Supplemental Indenture, be issued in one or more separate Series. Each Series of Bonds shall be authorized by a separate Supplemental Indenture, which shall state the purpose or purposes for which each such Series of Bonds is being issued. The aggregate principal amount of Bonds which may be issued shall not be limited except as provided herein or as may be limited by law provided that the aggregate principal amount of Bonds of each such Series shall not exceed the amount specified in the Supplemental Indenture authorizing each such Series of Bonds.

Section 2.2 Description of Bonds; Payment. The Bonds of each Series issued under the provisions hereof may be issued only as registered bonds. Unless otherwise specified in the Supplemental Indenture authorizing such Series of Bonds, bonds of each Series shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof, shall be numbered consecutively from R-1 upwards and shall bear interest payable on each Interest Payment Date.

(a) The Bonds of each Series issued hereunder shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate permitted by law on the date of initial issuance of Bonds of such Series, and be payable on the days, shall be stated to mature on the days and in the years and shall be subject to redemption prior to their respective maturities, all as set forth in the Supplemental Indenture authorizing such Series of Bonds. The Bonds of each Series shall be designated "[Taxable] Sales Tax Revenue [and Refunding] Bonds, Series ____," in each case inserting the year in which the Bonds are issued and, if necessary, an identifying Series letter.

(b) Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such registration books or to owners of \$1,000,000 or more in aggregate principal amount of Bonds (or owners of 100% of an Series then Outstanding) by wire transfer to a bank account designated by the Registered Owner in written instructions furnished to the Trustee no later than the Record Date for such payment. The interest on Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Bond on such Regular Record Date,

and may be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten days prior to such Special Record Date. The principal of and premium, if any, on Bonds are payable upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee as Paying Agent, except as otherwise provided by Supplemental Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise, as may be specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.3 Execution; Limited Obligation. The Bonds shall be executed on behalf of the Issuer with the manual or official facsimile signature of its Mayor, countersigned with the manual or official facsimile signature of the City Recorder, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Issuer. In case any officer, the facsimile of whose signature shall appear on the Bonds, shall cease to be such officer before the delivery of such Bonds, such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

The Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created hereunder or the income from the temporary investment thereof). The Bonds shall be a valid claim of the respective Registered Owners thereof only against the Revenues and other moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund) and the Issuer hereby pledges and assigns the same for the equal and ratable payment of the Bonds and all Repayment Obligations, and the Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds and to pay the Repayment Obligations, except as may be otherwise expressly authorized herein. The issuance of the Bonds and the delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefor.

The provisions of this Section relating to the execution of Bonds may be changed as they apply to the Bonds of any Series by the Supplemental Indenture authorizing such Series of Bonds.

Section 2.4 Authentication and Delivery of Bonds. The Issuer shall deliver executed Bonds of each Series to the Trustee for authentication. Subject to the

satisfaction of the conditions for authentication of Bonds set forth herein, the Trustee shall authenticate such Bonds, and deliver them upon the order of the Issuer to the purchasers thereof upon the payment by the purchasers to the Trustee for the account of the Issuer of the purchase price therefor. Delivery by the Trustee shall be full acquittal to the purchasers for the purchase price of such Bonds, and such purchasers shall be under no obligation to see to the application thereof. The proceeds of the sale of such Bonds shall, however, be disposed of only as provided herein and in the Supplemental Indenture.

(a) No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder, unless and until a certificate of authentication on such Bond substantially in the form set forth in the Supplemental Indenture authorizing such Bond shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

(b) Prior to the authentication by the Trustee of each Series of Bonds there shall have been filed with the Trustee:

(i) A copy, duly certified by the City Recorder, of this Indenture (to the extent not theretofore so filed) and the Supplemental Indenture authorizing such Series of Bonds;

(ii) A copy, certified by the City Recorder, of the proceedings of the Issuer's Governing Body approving the execution and delivery of the instruments specified in Subparagraph (i) above and the execution and delivery of such Series of Bonds, together with a certificate, dated as of the date of authentication of such Series of Bonds, of the City Recorder that such proceedings are still in force and effect without amendments except as shown in such proceedings;

(iii) A request and authorization to the Trustee of the Issuer to authenticate such Series of Bonds in the aggregate principal amount therein specified and deliver them to purchasers therein identified upon payment to the Trustee, for account of the Issuer, of the sum specified therein; and

(iv) An opinion of bond counsel dated the date of authentication of such Series of Bonds to the effect that (a) the Issuer has authorized the execution and delivery of this Indenture and such Series of Bonds and this Indenture has been duly executed and delivered by the Issuer and is the valid, binding and enforceable agreement of the Issuer; (b) this Indenture creates the valid pledge which it purports to create of the Revenues; and

(c) such Series of Bonds are valid and binding obligations of the Issuer, entitled to the benefits and security hereof, provided that such opinion may contain limitations acceptable to the Purchaser of such Series of Bonds

(v) The Issuer may provide by Supplemental Indenture for the delivery to the Trustee of one or more Security Instruments with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements deemed necessary in connection therewith.

(vi) Subject to any limitations contained in a Supplemental Indenture, the Issuer may provide a Security Instrument for any Series of Bonds (or may substitute one Security Instrument for another).

(vii) The Issuer may provide by Supplemental Indenture for the issuance and delivery to the Trustee of one or more Reserve Instruments and the execution and delivery of any Reserve Instrument Agreements deemed necessary in connection therewith.

(viii) The Issuer may authorize by Supplemental Indenture the issuance of Put Bonds; provided that any obligation of the Issuer to pay the purchase price of any such Put Bonds shall not be secured by a pledge of Revenues on a parity with the pledge contained in Section 6.2 hereof. The Issuer may provide for the appointment of such Remarketing Agents, indexing agents, tender agents or other agents as the Issuer may determine.

(ix) The Issuer may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Security Instrument as the Issuer deems appropriate, including:

(A) So long as the Security Instrument is in full force and effect, and payment on the Security Instrument is not in default, (I) the Security Instrument Issuer shall be deemed to be the Owner of the Outstanding Bonds of such Series (a) when the approval, consent or action of the Bondowners for such Series of Bonds is required or may be exercised under the Indenture and (b) following an Event of Default and (II) the Indenture may not be amended in any manner which affects the rights of such Security Instrument Issuer without its prior written consent.

(B) In the event that the Principal and redemption price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Security Instrument, all covenants, agreements and other obligations of the Issuer to the Bondowners of such Series of Bonds shall continue to exist and such Security Instrument Issuer shall be subrogated to the rights of such Bondowners in accordance with the terms of such Security Instrument.

(x) In addition, such Supplemental Indenture may establish such provisions as are necessary to provide relevant information to the Security Instrument Issuer and to provide a mechanism for paying Principal Installments and interest on such Series of Bonds from the Security Instrument.

Section 2.5 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, series, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together in all cases with indemnity satisfactory to the Trustee and the Issuer. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Trustee may pay the same without surrender thereof upon compliance with the foregoing. The Trustee may charge the Registered Owner of such Bond with its reasonable fees and expenses in this connection. Any Bond issued pursuant to this Section shall be deemed part of the Series of the Bonds in respect of which it was issued and an original additional contractual obligation of the Issuer.

Section 2.6 Registration of Bonds; Persons Treated as Owners. The Issuer shall cause the books for the registration and for the transfer of the Bonds as provided herein to be kept by the Trustee which is hereby constituted and appointed the Registrar of the Issuer with respect to the Bonds, provided, however, that the Issuer may by Supplemental Indenture select a party other than the Trustee to act as Registrar with respect to the Series of Bonds issued under said Supplemental Indenture. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond at the Principal Corporate Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same Series and the same maturity for a like aggregate principal amount as the Bond surrendered for transfer. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same Series and the same maturity. The execution by the Issuer of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. The Issuer and the Trustee shall not be required to transfer or exchange any Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from

and including the day fifteen days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption.

The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever, and neither the Issuer, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of or on account of either principal of or interest on any Bond shall be made only to or upon order of the Registered Owner thereof or such person's legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Trustee shall require the payment by the Bondholder requesting exchange or transfer of Bonds of any tax or other governmental charge and by the Issuer of any service charge of the Trustee as Registrar which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered.

Section 2.7 Redemption Provisions. The Term Bonds of each Series of Bonds shall be subject, to the extent provided in the Supplemental Indenture authorizing each such Series of Bonds, to redemption prior to maturity by operation of Sinking Fund Installments required to be made to the Sinking Fund Account. The Bonds of each Series shall further be subject to redemption prior to maturity at the option of the Issuer at such times and upon such terms as shall be fixed by such Supplemental Indenture. Except as otherwise provided in a Supplemental Indenture, if less than all Bonds of a series are to be redeemed, the particular maturities of such Bonds to be redeemed and the principal amount of such maturities to be redeemed shall be selected by the Issuer. If fewer than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular units of Bonds, as determined in accordance with Section 2.9 herein, to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee, in its discretion, may deem proper in order to assure each Registered Owner of Bonds of such Series or maturity a fair opportunity to have their Bond or Bonds or portions thereof selected.

Section 2.8 Notice of Redemption.

(a) In the event any of the Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.8. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, notice of such redemption (i) shall be filed with the paying agent designated for the Bonds being redeemed; and (ii) shall be mailed by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty

(30) days but not more than sixty (60) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bonds and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issue date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(vii) the place where such Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, at least two (2) Business Days in advance of the mailed notice to Registered Owners, by registered or certified mail or overnight delivery service, to all registered securities depositories (as reasonably determined by the Trustee) of obligations of types comprising the Bonds and to at least two national information services that disseminate notices of redemption of obligations such as the Bonds. Such further notice shall contain the information required in clause (a) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(c) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(d) If at the time of mailing of any notice of redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

(e) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Bonds or portions thereof redeemed but who failed to deliver Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such registered Owners shall not affect the validity of the proceedings for the redemption of the Bonds.

(f) In case any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

Section 2.9 Partially Redeemed Fully Registered Bonds. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Issuer shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Issuer, a Bond or Bonds of the same Series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. Unless otherwise provided by Supplemental Indenture, a portion of any Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bonds by \$5,000.

Section 2.10 Cancellation. All Bonds which have been surrendered for payment, redemption or exchange, and Bonds purchased from any moneys held by the Trustee hereunder or surrendered to the Trustee by the Issuer, shall be canceled and cremated or otherwise disposed of in a manner deemed appropriate by the Trustee.

Section 2.11 Nonpresentation of Bonds. Unless otherwise provided by Supplemental Indenture, in the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Issuer to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and

thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability to the Registered Owner of such Bond for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part hereunder or on, or with respect to, said Bond. If any Bond shall not be presented for payment within four years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall, to the extent permitted by law, repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Registered Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. The provisions of this Section are subject to the provisions of Title 67, Chapter 4a, Utah Code Annotated 1953, as amended.

Section 2.12 Initial Bonds. Subject to the provisions hereof, the Initial Bonds may be authenticated and delivered by the Trustee upon satisfaction of the conditions specified in Section 2.4(f) hereof and any additional conditions specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.13 Issuance of Additional Bonds. No additional indebtedness, bonds or notes of the Issuer payable on a senior lien priority to the pledge of Revenues for the payment of the Bonds and the Security Instrument Repayment Obligations herein authorized shall be created or incurred without the prior written consent of the Owners of 100% of the Outstanding Bonds and the Security Instrument Issuers. In addition, no Additional Bonds or other indebtedness, bonds or notes of the Issuer payable on a parity with the Bonds herein authorized out of Revenues shall be created or incurred, unless the following requirements have been met:

(a) No Event of Default shall have occurred hereunder and be continuing hereunder on the date of authentication of any Additional Bonds. This paragraph (a) shall not preclude the issuance of Additional Bonds if (i) the issuance of such Additional Bonds otherwise complies with the provisions hereof and (ii) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof; and

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the Revenues for any consecutive 12 month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 150% of the sum of (x) the maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Additional Bonds plus (y) the maximum annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of such Additional Bonds;

provided, however, that such Revenue coverage test set forth above shall not apply to the issuance of any Additional Bonds to the extent they are issued for the purpose of refunding Bonds issued hereunder and the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith; and

(c) All payments required by this Indenture to be made into the Bond Fund must have been made in full, and there must be in the Debt Service Reserve Fund (taking into account any Reserve Instrument Coverage) the full amount required by this Indenture to be accumulated therein at such time; and

(d) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued hereunder or other obligations of the Issuer (including the funding of necessary reserves and the payment of costs of issuance) or (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance).

Section 2.14 Form of Bonds. For each Series of Bonds, the text of such Bonds, the Trustee's Authentication Certificate shall be in substantially the forms thereof set forth in the Supplemental Indenture authorizing the issuance of such Bonds, with such omissions, insertions and variations not inconsistent with the terms hereof as may be necessary, desirable, authorized and permitted hereby.

Section 2.15 Covenant Against Creating or Permitting Liens. Except for the pledge of Revenues to secure payment of the Bonds and Repayment Obligations hereunder, the Revenues are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; provided, however, that nothing contained herein shall prevent the Issuer from issuing, if and to the extent permitted by law, indebtedness having a lien on Revenues subordinated to that of the Bonds and Repayment Obligations.

ARTICLE III

CREATION OF FUNDS AND ACCOUNTS

Section 3.1 Creation of Construction Fund. There is hereby created and ordered established in the custody of the Trustee the Construction Fund. There is hereby created and ordered established in the custody of the Trustee a separate account within the Construction Fund for each Project to be designated by the name of the applicable Project or Series of Bonds and, if applicable, a separate account for each Series of Bonds and for all grant moneys to be received by the Issuer for deposit in the Construction Fund. (Said Construction Fund and applicable accounts thereunder are herein defined as the "Construction Fund".)

Section 3.2 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee the Bond Fund.

Section 3.3 Creation of Sinking Fund Account. There is hereby created and ordered established in the custody of the Trustee as a separate account within the Bond Fund the Sinking Fund Account.

Section 3.4 Creation of Debt Service Reserve Fund. There is hereby created and ordered established in the custody of the Trustee the Debt Service Reserve Fund.

Section 3.5 Creation of Reserve Instrument Fund. There is hereby created and ordered established in the custody of the Trustee the Reserve Instrument Fund.

Section 3.6 Creation of Rebate Fund. There is hereby created and ordered established in the custody of the Trustee the Rebate Fund.

Section 3.7 Creation of Revenue Fund. There is hereby created and ordered established with the Issuer the Revenue Fund. For accounting purposes, the Revenue Fund may be redesignated by different account names by the Issuer from time to time..

Section 3.8 Creation of Funds and Accounts. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article III until such funds or accounts shall be utilized as provided in a Supplemental Indenture authorizing a Series of Bonds. By Supplemental Indenture the Issuer may authorize the creation of additional funds and additional accounts within any fund.

ARTICLE IV

APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Upon the issuance of each Series of Bonds, the proceeds thereof shall be deposited as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

ARTICLE V

USE OF FUNDS

Section 5.1 Use of Construction Fund. So long as an Event of Default shall not have occurred and be continuing, moneys deposited in the appropriate account in the Construction Fund shall be paid out by the Trustee in order to pay the Cost of a Project, in each case within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer in substantially the form as Exhibit "A" attached hereto, stating that the Trustee shall disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon audited, itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Construction Fund. In making such payments the Trustee may rely upon such requisition. Such payments shall be presumed to be made properly and the Trustee shall not be required to see to the application of any payments from the Construction Fund or to inquire into the purposes for which withdrawals are being made from the Construction Fund.

(c) The Issuer shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate stating:

(i) that such Project has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for such Project; and

(ii) that the Issuer is of the opinion that such Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Paragraph (c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, there shall be filed with the Trustee a similar certificate when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section 5.1, any balance remaining in the applicable account in the Construction Fund relating to such Project shall, as directed by the Issuer, be deposited in the Bond Fund, to be applied at the written direction of the Issuer toward the redemption of the Series of Bonds issued to finance such Project or to pay principal and/or interest next falling due with respect to the Bonds.

(g) The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default hereunder.

Section 5.2 Application of Revenues. All Revenues shall be accounted for by the Issuer in the Revenue Fund separate and apart from all other moneys of the Issuer.

(a) So long as any Bonds are Outstanding and as a first charge and lien on the Revenues, the Issuer shall on or before the tenth day of each month deposit with the Trustee in the Bond Fund from the Revenue Fund an amount equal to:

(i) approximately one-sixth of the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the Issuer need not allocate to the Revenue Fund to pay interest on the Bonds); plus

(ii) if principal is due on the Bonds within the next succeeding 12 months, approximately one-twelfth of the principal and premium, if any, falling due on the next succeeding principal payment date established for the Bonds; plus

(iii) if a Sinking Fund Installment is due on the Bonds within the next succeeding 12 months, approximately one-twelfth of the Sinking Fund Installments falling due on the next succeeding Sinking Fund Installment payment date,

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of, premium, if any, and interest on the Bonds promptly on each such Interest Payment Date as the same become due and payable.

(b) As a second charge and lien on the Revenues, the Issuer shall make the following transfers to the Trustee on or before the fifteenth day of each month of each year:

(i) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (A) to the accounts in the Debt Service Reserve Fund any amounts required hereby and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement at the times and in the amounts provided herein and in any Supplemental Indenture and (B) if funds shall have been withdrawn from an account in the Debt Service Reserve Fund to pay debt service or Sinking Fund Installments, the Issuer shall deposit Revenues in such account in the Debt Service Reserve Fund sufficient in amount to restore such moneys so withdrawn within the period required by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement; or a ratable portion (based on the amount to be transferred pursuant to Subparagraph (ii) of this Paragraph) of remaining Revenues if less than the amount necessary, and

(ii) Equally and ratably to the accounts of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect after the end of such month, such amount of the remaining Revenues, or a ratable portion (based on the amount to be transferred pursuant to Subparagraph (i) of this Paragraph) of the amount so remaining if less than the amount necessary, that is required to be paid, on or before the next such transfer or deposit of Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit.

(c) The Revenues remaining after the foregoing deposits and transfers and not required to be used for remedying any deficiencies in payments previously made into the Funds hereinabove established, may be used at any time for any other lawful purpose.

Section 5.3 Use of Bond Fund. The Trustee shall make deposits, as and when received, as follows:

(i) accrued interest received upon the issuance of any Series of Bonds shall be deposited into the Bond Fund;

(ii) all moneys payable by the Issuer as specified in Section 5.2(a) hereof shall be deposited into the Bond Fund;

(iii) any amount in the Construction Fund which shall be transferred to the Bond Fund to the extent required by Section 5.1(f) hereof upon completion of a Project;

(iv) all moneys transferred to the Bond Fund from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in Section 5.5 hereof; and

(v) all other moneys received by the Trustee hereunder when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund, shall be deposited into the Bond Fund.

(b) Except as provided in Section 7.4 hereof and as provided in this Section and except as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(i) the payment of principal of and interest on the Bonds as the same become due; and

(ii) the payment of principal and interest accrued, if any, on the Bonds as the same become due upon redemption prior to maturity and such payments and redemption of Bonds in advance of their maturity shall be accounted for separately by the Trustee from the payments made by the Trustee pursuant to Subparagraph (i) of this Paragraph (b).

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any paying agent for the purpose of paying said principal and interest.

(c) After payment in full of the Principal of and interest on all Bonds issued hereunder (or after provision has been made for the payment thereof as

provided herein so that such Bonds are no longer Outstanding), all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations in accordance with their respective terms, and the fees, charges and expenses of the Trustee, any paying agent and any other amounts required to be paid hereunder or under any Supplemental Indenture and under any Security Instrument Agreement and under any Reserve Instrument Agreement, all amounts remaining in the Bond Fund shall be paid to the Issuer.

Section 5.4 Use of Sinking Fund Account. The Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Issuer, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant hereto, at a price not to exceed the redemption price of such Term Bonds (plus accrued interest which will be paid from moneys in the Bond Fund other than those in the Sinking Fund Account).

(b) On the maturity date of any Term Bonds, the Trustee shall apply the moneys on hand in the Sinking Fund Account for the payment of the principal of such Term Bonds.

Section 5.5 Use of Debt Service Reserve Fund. Except as otherwise provided in this Section and subject to the immediately following sentence, moneys in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof or (ii) deposited from available Revenues over the period of time specified therein, or (iii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any bond insurer or other security instrument issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this Section, the Issuer is required to, pursuant to Section 5.2(b) hereof and the provisions of a Supplemental Indenture, make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

In the event funds on deposit in an account of the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is

insufficient cash available in such account of the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in (ii) herein.

No Reserve Instrument shall be allowed to expire or terminate unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund.

Funds at any time on deposit in the account of the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of Reserve Instrument Coverage) shall be transferred to the Bond Fund at least once each year.

Funds on deposit in any account of the Debt Reserve Fund shall be used to make up any deficiencies in the Bond Fund only for each related Series of Bonds and any Reserve Instrument for a Series of Bonds shall only be drawn upon with respect to the Series of Bonds for which such Reserve Instrument was obtained.

Section 5.6 Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required hereby and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement. The Issuer may, with the approving opinion of bond counsel that such transaction will not adversely affect the tax-exempt status of any outstanding Bonds, replace any amounts required to be on deposit on the Debt Service Reserve Fund with a Reserve Instrument.

Section 5.7 Use of Rebate Fund.

(a) If it becomes necessary for the Issuer to comply with the rebate requirements of the Code and the Regulations, the Trustee shall establish and thereafter maintain, so long as the Bonds are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under this Indenture and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture. In the event the amount on deposit in the Rebate Fund exceeds the

aggregate amount of Rebatale Arbitrage for all Series of Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatale Arbitrage is determined, less amounts of Rebatale Arbitrage theretofore paid to the United States for all Series of Bonds, the Trustee shall, upon the Issuer's written request accompanied by the determination report, withdraw from the Rebate Fund and pay to the Issuer an amount not to exceed such excess.

(c) The Issuer shall determine the amount of Rebatale Arbitrage and the corresponding Required Rebate Deposit with respect to each Series of Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. The Issuer shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Required Rebate Deposit from the Funds and Accounts held under the Indenture other than the Rebate Fund) or shall otherwise make payment of the rebate to be paid to the United States at the times required by the Code and the Regulations. If applicable, the Issuer shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the United States. The determination of Rebatale Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Issuer from the Rebate Fund pursuant to the Indenture must be verified in writing by an independent public accountant or other qualified professional. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations and certifications required by this Section and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Issuer's determinations, calculations and certifications required by this Section.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Issuer with the requirements of Section 148 of the Code or any successor. The Issuer expressly agrees that (notwithstanding any other provision of the Indenture) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Issuer to comply with the requirements of said Section 148 or any successor thereof.

(e) The provisions of this Section may be amended or deleted without bond owner consent or notice, with respect to any or all series of the Bonds, from this Indenture upon receipt by the Issuer and the Trustee of an opinion of nationally recognized bond counsel that such amendment or deletion will not adversely affect the exclusion from gross income of interest on the Bonds.

Section 5.8 Investment of Funds. Any moneys in the Bond Fund, the Construction Fund, the Rebate Fund, the Reserve Instrument Fund or the Debt Service Reserve Fund shall, at the discretion and authorization of the Issuer, be invested by the

Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund, the Reserve Instrument Fund and Debt Service Reserve Fund may only be invested in Qualified Investments having a maturity date one year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction Fund, Bond Fund, the Reserve Instrument Fund and Rebate Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with Section 5.5 hereof. All moneys in the Revenue Fund may at the discretion of the Issuer be invested by the Issuer in Qualified Investments.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Qualified Investment, remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

The Trustee may, to the extent permitted by the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated 1953, as amended, make any and all investments permitted by the provisions of the Indenture through its own or any of its affiliate's investment departments.

The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

In the event the Issuer shall be advised by nationally recognized municipal bond counsel that it is necessary to restrict or limit the yield on the investment of any moneys paid to or held by the Trustee in order to avoid the Bonds, or any Series thereof, being considered "arbitrage bonds" within the meaning of the Code or the Treasury Regulations proposed or promulgated thereunder, or to otherwise preserve the exclusion of interest payable or paid on any Bonds from gross income for federal income tax purposes, the Issuer may require in writing the Trustee to take such steps as it may be advised by such counsel are necessary so to restrict or limit the yield on such investment, irrespective of whether the Trustee shares such opinion, and the Trustee agrees that it will take all such steps as the Issuer may require.

Section 5.9 Trust Funds. All moneys and securities received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political

subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions hereof. Except as provided otherwise in Section 5.7 hereof, unless and until disbursed pursuant to the terms hereof, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable hereunder.

Section 5.10 Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account, Qualified Investments shall be valued at market, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur quarterly, except in the event of a withdrawal from the Debt Service Reserve Fund, whereupon securities shall be valued immediately after such withdrawal.

ARTICLE VI

GENERAL COVENANTS

Section 6.1 General Covenants. The Issuer hereby covenants and agrees with each and every Registered Owner of the Bonds issued hereunder and Reserve Instrument Provider as follows:

(a) Pursuant to Section 11-14-17.5(2)(d) of the Act, while any of the Bonds remain outstanding and unpaid, or any Reserve Instrument Repayment Obligations are outstanding, the ordinance, resolution or other enactment of the Issuer imposing the taxes described in the definition of Revenues and pursuant to which said taxes are being collected, the obligation of the Issuer to continue to levy, collect, and allocate such taxes, and to apply such Revenues in accordance with the provisions of the authorizing ordinance, resolution or other enactment, shall be irrevocable until the Bonds and or any Reserve Instrument Repayment Obligations have been paid in full as to both principal and interest, and is not subject to amendment in any manner which would impair the rights of the holders of those Bonds or Reserve Instrument Repayment Obligations which would in any way jeopardize the timely payment of principal or interest when due.

(b) The outstanding Bonds to which the Revenues of the Issuer have been pledged as the sole source of payment shall not at any one time exceed an amount for which the average Aggregate Annual Debt Service Requirement of the Bonds will exceed eighty percent (80%) of the Revenues to be received by the Issuer during the Bond Fund Year immediately preceding the Bond Fund Year in which the Resolution authorizing the applicable Series of Bonds is adopted.

(c) Each Registered Owner and Reserve Instrument Provider, or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts and data relating to the receipt and disbursements of the Revenues. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements of the Revenues, and that such audit will be available for inspection by each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider.

Section 6.2 First Lien Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Revenues. The Issuer covenants that the Bonds and Security Instrument Repayment Obligations hereafter authorized to be issued and from time to time outstanding are equitably and ratably secured by a first lien on the Revenues and shall not be entitled to any priority one over the other in the application of the Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument

Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (i) proceeds of the issuance and sale of Bonds, (ii) Revenues, or (iii) Funds established hereby, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Section 6.3 Payment of Principal and Interest. The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued hereunder, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, this Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning hereof and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created hereunder or the income from the temporary investment thereof), which Revenues are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds, this Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

Section 6.4 Performance of Covenants; Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained herein, and in any and every Bond, Security Instrument Agreement and Reserve Instrument Agreement. The Issuer represents that it is duly authorized under the Constitution of the State to issue the Bonds authorized hereby and to execute this Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 6.5 List of Bondholders. The Trustee will keep on file at its Principal Corporate Trust Office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee.

Section 6.6 Designation of Additional Paying Agents. The Issuer hereby covenants and agrees to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate paying agents, if any, and for the making available of funds hereunder, but only to the extent such funds are made

available to the Issuer from Bond proceeds or other Funds created hereunder or the income from the temporary investment thereof, for the payment of such of the Bonds as shall be presented when due at the Principal Corporate Trust Office of the Trustee, or its successor in trust hereunder, or at the principal corporate trust office of said alternate paying agents.

Section 6.7 Tax Exemption of Bonds. The Issuer recognizes that Section 149(a) of the Code requires bonds to be issued and to remain in fully registered form in order that interest thereon not to be includible in gross income for purposes of federal income taxation under laws in force at the time the bonds are delivered. Bonds issued pursuant to this Indenture, the interest on which is not includible in gross income for federal income tax purposes, are referred to in this Section 6.7 as "tax-exempt Bonds". Pursuant to the provisions thereof, the Issuer agrees that it will not take any action to permit tax-exempt Bonds issued hereunder to be issued in, or converted into, bearer or coupon form, unless the Issuer first receives an opinion from nationally recognized bond counsel that such action will not result in the interest on any Bonds becoming includible in gross income for purposes of federal income taxes then in effect.

The Issuer's Mayor and City Recorder are hereby authorized and directed to execute such certificates as shall be necessary to establish that tax-exempt Bonds issued hereunder are not "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations promulgated or proposed thereunder, including Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149 and 1.150-1 through 1.150-2 as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Issuer covenants and certifies to and for the benefit of the Registered Owners of such Bonds that no use will be made of the proceeds of the issue and sale of such Bonds, or any funds or accounts of the Issuer which may be deemed to be available proceeds of such Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of such Bonds, would have caused the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of such Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

The Issuer further covenants and agrees to and for the benefit of the Registered Owners that the Issuer (i) will not take any action that would cause interest on tax-exempt Bonds issued hereunder to become includible in gross income for purposes of federal income taxation, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the tax-exempt Bonds to become includible in gross income for purposes of federal income taxation and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Bonds in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on such Bonds.

Section 6.8 Expeditious Construction. The Issuer shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

Section 6.9 Instruments of Further Assurance. The Issuer and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes hereof; provided, however, that no such instruments or action shall involve any personal liability of the Trustee or members of the governing body of the Issuer or any official thereof.

Section 6.10 Covenant of State of Utah. In accordance with Section 11-14-17.5(3), Utah Code Annotated 1953, as amended, the State of Utah hereby pledges and agrees with the Owners of the Bonds and all Reserve Instrument Providers that it will not alter, impair or limit the Revenues in a manner that reduces the amounts to be rebated to the Issuer which are devoted or pledged herein until the Bonds, together with applicable interest, and all Reserve Instrument Repayment Obligations, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision shall be made by law for the protection of the Owners of the Bonds.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.1 Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or

(b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund hereunder or otherwise; or

(c) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within 30 days after the entry thereof; or

(e) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or

(f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee or custodian of the Issuer or of the whole or any part of their property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(g) if the Issuer shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(i) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or herein or any Supplemental Indenture hereof on the part of the Issuer to be performed, other than as set forth above in this Section, and such Default shall continue for 30 days after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding hereunder.

Section 7.2 Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to Section 8.1 hereof, may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer hereunder including the right to require the Issuer to make deposits to the Bond Fund in the amounts set forth in Section 5.2(a)(i) through (iii).

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Bondowners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and indemnified as provided in Section 8.1 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms hereof conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.3 Right of Registered Owners and Security Instrument Issuers to Direct Proceedings. Anything herein to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Bondowners and Security Instrument Issuers described in (i) and (ii) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions hereof, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 7.4 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

(a) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST--To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND--To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to

the provisions hereof), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) To the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Section 7.5 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Section 7.6 Rights and Remedies of Registered Owners. Except as provided in the last sentence of this Section, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the

appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred of which the Trustee has been notified as provided in Section 8.1(g), or of which by said Section it is deemed to have notice, nor unless also Registered Owners of 25% in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 8.1 hereof nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust hereof, and to any action or cause of action for the enforcement hereof, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien hereof by its action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing herein contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Section 7.7 Termination of Proceedings. In case the Trustee, any Bondowner or any Security Instrument Issuer shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Bondowner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.8 Waivers of Events of Default. Subject to Section 8.1(g) hereof, the Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default hereunder and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of principal and interest exist, or (b) a

majority in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any Bonds at the date that a Principal Installment is due or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of principal and premium, if any, when due and all expenses of the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 7.9 Cooperation of Issuer. In the case of any Event of Default hereunder, the Issuer shall cooperate with the Trustee and use its best efforts to protect the Registered Owners, Bondowners and the Security Instrument Issuers.

ARTICLE VIII

THE TRUSTEE

Section 8.1 Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents, receivers or employees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder, except as specifically set forth herein. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto upon the

request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchanged therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by its Mayor and attested by its City Recorder as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Paragraph (g) of this Section, or of which by said Paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the City Recorder of the Issuer under its seal to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except an Event of Default described in Section 7.1(a) or (b), unless the Trustee shall be specifically notified in writing of such Default by the Issuer or by the Registered Owners of at least 25% in the aggregate principal amount of any Series of the Bonds then Outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(h) At any and all reasonable times and upon reasonable prior written notice, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Issuer pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any

property, or any action whatsoever within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the trustee.

(k) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(l) If any Event of Default hereunder shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

(m) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondholders, Security Instrument Issuers or Reserve Instrument Issuers pursuant to the provisions of this Indenture, unless such Bondholders, Security Instrument Issuers or Reserve Instrument Issuers shall have offered to the Trustee security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

(n) The Trustee shall not be required to expend, advance, or risk its own funds or incur any financial liability in the performance of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or satisfactory indemnity against such risk or liability is not assured to it.

Section 8.2 Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred. The Trustee's rights under this Section will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Section 8.3 Notice to Registered Owners if Event of Default Occurs. If an Event of Default occurs of which the Trustee is by Section 8.1(g) hereof required to take notice or if notice of Default be given as in said Section provided, then the Trustee shall

give written notice thereof by registered or certified mail to all Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Section 8.4 Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee may intervene on behalf of such Owners and shall do so if requested in writing by the Registered Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 8.5 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.6 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, served personally or by registered mail, and by registered or certified mail to each Reserve Instrument Issuer, Security Instrument Issuer and Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of and acceptance by a successor Trustee by the Registered Owners or by the Issuer as provided in Section 8.8 hereof; provided, however that if no successor Trustee has been appointed within 60 days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 8.7 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments (i) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (ii) in writing delivered to the Trustee and the Issuer, and signed by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding if an Event of Default exists; provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 8.8 Appointment of Successor Trustee by Registered Owners; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public

officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer or if an Event of Default exists by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the Issuer by an instrument executed by its Mayor and attested by its City Recorder under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners. Every successor Trustee appointed pursuant to the provisions of this Section or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than \$50,000,000.

Each Reserve Instrument Provider and Security Instrument Issuer shall be notified immediately upon the resignation or termination of the Trustee and provided with a list of candidates for the office of successor Trustee.

Section 8.9 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed and/or recorded by the successor Trustee in each recording office, if any, where the Indenture shall have been filed and/or recorded.

Section 8.10 Trustee Protected in Relying Upon Indenture, Etc. The indentures, opinions, certificates and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 8.11 Successor Trustee as Trustee of Funds; Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of the Construction Fund, Bond Fund, Debt Service Reserve Fund, Reserve Instrument Fund, Rebate Fund and any

other Funds provided hereunder and Registrar for the Bonds and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Registrar and Paying Agent for the Bonds.

Section 8.12 Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, and in particular in case of the enforcement of remedies on Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended hereby to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request of such trustee or co-trustee, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 8.13 Annual Accounting. The Trustee shall prepare an annual accounting for each Bond Fund Year by the end of the month following each such Bond Fund Year showing in reasonable detail all financial transactions relating to the pledged Revenues during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Issuer, and to each Reserve Instrument Issuer requesting the same. The Trustee shall also make available for inspection by any Registered Owner a copy of said annual accounting (with the names and addresses of Registered Owners receiving payment of debt service on the Bonds deleted therefrom) and shall mail the same if requested in writing to do so by Registered Owners of at least 25% in aggregate principal amount of

Bonds then Outstanding to the designee of said Owners specified in said written request at the address therein designated. On or before the end of the month following each Bond Fund Year, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor representations as to the accuracy of the facts contained in the financial reports that were delivered by the Trustee during the Bond Fund Year just ended.

Section 8.14 Indemnification. To the extent permitted by law and subject to the provisions of Section 8.1(a) of this Indenture, the Issuer shall indemnify and save Trustee harmless against any liabilities it may incur in the exercise and performance of its powers and duties hereunder, other than those due to its own negligence or willful misconduct.

Section 8.15 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Indenture.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers. The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners or Reserve Instrument Providers, but with notice to any Security Instrument Issuer, enter into an indenture or indentures supplemental hereto, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) To provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.13 hereof;

(b) To cure any ambiguity or formal defect or omission herein;

(c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without its consent;

(d) To subject to this Indenture additional Revenues or other revenues, properties, collateral or security;

(e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code Annotated 1953, as amended, or any successor provisions of law;

(f) To make any change which shall not materially adversely affect the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuers or any Reserve Instrument Provider requested by a Rating Agency in order to obtain or maintain any rating on the Bonds or by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;

(g) To make any change necessary (A) to establish or maintain the exemption from federal income taxation of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service of Section 148 of the Code or of regulations proposed or promulgated thereunder, or (B) to comply with the provisions of Section 148(f) of the Code, including provisions for the payment of all or a portion of the investment earnings of any of the Funds established hereunder to the United States of America;

(h) If the Bonds affected by such change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(i) If the Bonds affected by such change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected;

(j) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the Issuer delivers to the Trustee (1) a Supplemental Indenture designating the facilities to comprise the Project and (2) an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax-exempt status (if applicable) or validity of the Bonds and certifying that such amendment will not adversely affect the Issuer's ability to comply with the provisions of the Indenture;

(k) To correct any references contained herein to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references herein are correct.

Section 9.2 Supplemental Indentures Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Registered Owners of 66 2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any indenture supplemental hereto; provided, however, that nothing in this Section contained shall permit or be construed as permitting (a) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any Fund established hereunder applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Bonds, the Registered

Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement hereto shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in Section 9.1, neither this Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

ARTICLE X

DISCHARGE OF INDENTURE

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Registered Owners of the Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions hereof, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due accordingly to the provisions of any Security Instrument Agreements, Reserve Instrument Agreements, as applicable, then these presents and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien hereof, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien hereof, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of this Article when payment of the principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Government Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee, and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);

(b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to Subparagraph (i) above; and

(c) directing the Trustee to mail, as soon as practicable, in the manner prescribed by Article II hereof, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by this Section has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in Subparagraph (i) above.

Any moneys so deposited with the Trustee as provided in this Article may at the direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Article which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Trustee shall first obtain a written verification from a certified public accountant that the moneys remaining on deposit with the Trustee and invested in Government Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay principal and interest on the Bonds when due and payable.

No such deposit under this Article shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any tax-exempt Bonds to be treated as arbitrage bonds within the meaning of Sections 148 of the Code.

Notwithstanding any provision of any other Article hereof which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Government Obligations have been so set aside in trust.

Anything in Article VIII hereof to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Registered Owner of each Bond affected thereby.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Consents, Etc., of Registered Owners. Any consent, request, direction, approval, objection or other instrument required hereby to be executed by the Registered Owners, Security Instrument Issuers or Reserve Instrument Providers may be in any number of concurrent writings of similar tenor and may be executed by such Registered Owners, Security Instrument Issuers or Reserve Instrument Providers in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely, the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and any Reserve Instrument Provider, any legal or equitable right, remedy or claim under or in respect hereto or any covenants, conditions and provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and the Reserve Instrument Providers as herein provided.

Section 11.3 Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections herein contained, shall not affect the remaining portions hereof, or any part thereof.

Section 11.4 Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Issuer if the same shall be duly mailed by registered or certified mail addressed to it at Clearfield City, 55 South State Street, Clearfield, Utah, Attention: Mayor, or to such address as the Issuer may from time to

time file with the Trustee. It shall be sufficient service of any notice or other paper on the Trustee if the same shall be duly mailed by registered or certified mail addressed to it at U.S. Bank National Association, Attention: Corporate Trust Department, 15 West South Temple, 2nd Floor, Salt Lake City, Utah 84101, or to such other address as the Trustee may from time to time file with the Issuer.

Section 11.5 Trustee as Paying Agent and Registrar. Trustee is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 11.6 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 11.8 Immunity of Officers and Directors. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement herein contained against any past, present or future officer, or other public official, employee, or agent of the Issuer.

Section 11.9 Holidays. If any date for the payment of principal of or interest on the Bonds is not a Business Day, then such payment shall be due on the first Business Day thereafter and no interest shall accrue for the period between such Business Day and such first Business Day thereafter.

Section 11.10 Effective Date. This Indenture shall become effective immediately.

Section 11.11 Compliance with Municipal Bond Act and Refunding Bond Act. It is hereby declared by the Issuer's Governing Body that it is the intention of the Issuer by the execution of this Indenture to comply in all respects with the provisions of the Utah Municipal Bond Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the date first written above.

CLEARFIELD CITY, DAVIS COUNTY,
UTAH, as Issuer

Thomas C. Waggoner
Mayor

ATTEST:

Nancy R. Dean
City Recorder

(SEAL)



U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: Kir R. Salibaith
Title: Vice President

EXHIBIT "A"

FORM OF REQUISITION

RE: Clearfield City, Davis County, Utah Sales Tax Revenue Bonds, Series 2003 in the sum of \$ _____

U.S. Bank National Association
15 West South Temple
2nd Floor
Salt Lake City, UT 84101

You are hereby authorized to disburse from the 2003 Subaccount of the Construction Fund with regard to the above-referenced bond issue the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

AMOUNT: \$ _____

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED: _____

Each obligation, item of cost, or expense mentioned herein has been properly incurred, is a proper charge against the 2003 Subaccount of the Construction Fund based upon audited, itemized claims substantiated in support thereof, and has not been the basis for a previous withdrawal.

DATED: _____

Authorized Representative

THIRD SUPPLEMENTAL INDENTURE OF TRUST

Dated as of _____, 2015

by and between

CLEARFIELD CITY, UTAH

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

and supplementing
General Indenture of Trust
Dated as of April 1, 2003

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THIRD SUPPLEMENTAL INDENTURE OF TRUST

This Third Supplemental Indenture of Trust, dated as of _____, 2015, by and between Clearfield City, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "Issuer") and U.S. Bank National Association, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Issuer has entered into a General Indenture of Trust dated as of April 1, 2003 (the "General Indenture"), as previously supplemented and as further supplemented by a Second Supplemental Indenture, dated as of December 1, 2006, with the Trustee in connection with the issuance of its Sales Tax Revenue Refunding Bonds, Series 2006 in the original aggregate principal amount of \$9,700,000 (the "Refunded Bonds"); and

WHEREAS, pursuant to the terms of the General Indenture and this Third Supplemental Indenture of Trust (the "Third Supplemental Indenture" and together with the General Indenture, the "Indenture") the Issuer now desires to issue its Sales Tax Revenue Refunding Bonds, Series 2015 in the total principal amount of \$_____ (the "Series 2015 Bonds") to (i) refund the Refunded Bonds, and (ii) pay issuance expenses to be incurred in connection with the issuance and sale of the Series 2015 Bonds; and

WHEREAS, based upon the information available to the Issuer, the Local Sales and Use Tax revenues anticipated to be received by the Issuer pursuant to Title 59, Chapter 12, Part 2, Utah Code Annotated 1953, as amended, will produce sufficient Revenues (as defined in the General Indenture) to pay the debt service on the Series 2015 Bonds; and the Series 2015 Bonds shall not at any one time exceed an amount for which the average annual installments of principal and interest will exceed 80% of the Revenues received by the Issuer during its fiscal year immediately preceding the fiscal year in which the Series 2015 Bonds will be issued; and

WHEREAS, the Issuer has certified that all requirements of the General Indenture for the issuance of Series 2015 Bonds have been met and complied with; and

WHEREAS, the Issuer has determined that it is in the best interests of the citizens of the Issuer to issue the Series 2015 Bonds to refund the Refunded Bonds; and

WHEREAS, _____ (the "Purchaser") has agreed to purchase the Series 2015 Bonds upon the terms and conditions set forth in a Bond Purchase Agreement dated _____, 2015, and attached hereto as Exhibit A (the "Purchase Agreement"); and

WHEREAS, the Series 2015 Bonds will be authorized, issued, and secured under the General Indenture, as amended and supplemented by this Third Supplemental Indenture; and

WHEREAS, the execution and delivery of the Series 2015 Bonds and of this Third Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2015 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this Third Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2015 Bonds and all Additional Bonds issued and Outstanding under the Indenture, the payment of the Principal or redemption price thereof and interest thereon, the rights of the Registered Owners of the Bonds, to secure the Security Instrument Issuers of Security Instruments for any Bonds, and of all Reserve Instrument Providers of Reserve Instruments for any Bonds, and the performance of all of the covenants contained in such Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase of such Bonds by the Registered Owners thereof from time to time, and the issuance of Reserve Instruments by Reserve Instrument Providers, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer has executed and delivered this Third Supplemental Indenture of Trust, and by these presents does, in confirmation of the General Indenture, as amended and supplemented, hereby sell, assign, transfer, set over, and pledge unto U.S. Bank National Association, as Trustee, its successors and trusts and its assigns forever, to the extent provided in the General Indenture, as amended and supplemented, all rights, title, and interest of the Issuer in and to (a) the Revenues, (b) all moneys in funds and accounts held by the Trustee under the General Indenture and hereunder (except the Rebate Fund), and (c) all other rights granted under the General Indenture and hereinafter granted for the further securing of such Bonds.

TO HAVE AND TO HOLD THE SAME unto the Trustee and its successors in trust hereby created and its and their assigns forever;

IN TRUST, NEVERTHELESS, FIRST, for the equal and ratable benefit and security of all present and future Registered Owners of Bonds and related Security Instrument Issuers without preference, priority, or distinction as to lien or otherwise (except as otherwise specifically provided), of any one Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, and SECOND, for the equal and proportionate benefit, security, and protection of all Reserve Instrument Providers, without privilege, priority, or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery, or expiration thereof or otherwise for any cause whatsoever.

ARTICLE I

SUPPLEMENTAL INDENTURE; DEFINITIONS

Section 1.1 Supplemental Indenture. This Third Supplemental Indenture is supplemental to, and is adopted in accordance with and pursuant to Articles II and IX of the General Indenture.

Section 1.2 Uniform Definitions. All terms which are defined in the General Indenture, shall have the meanings, respectively, herein (including the use thereof in the recitals and the granting clauses thereof) unless expressly given a different meaning or unless the context clearly otherwise requires. All terms used herein which are defined in the recitals hereto shall have the meanings therein given to the same unless the context requires otherwise and, in addition, the following terms shall have the meanings specified below.

Section 1.3 Additional Definitions. For purposes of the General Indenture and this Third Supplemental Indenture, the following terms shall, unless the context clearly requires otherwise, have the meanings as follows:

“Bond Purchase Agreement” means the Bond Purchase Agreement dated _____, 2015, between the Issuer and the Purchaser, pursuant to which the Series 2015 Bonds are to be sold by the Issuer to the Purchaser.

“Debt Service Reserve Requirement” means, with respect to the Series 2015 Bonds, an amount equal to \$_____.

“Interest Payment Date” means, with respect to the Series 2015 Bonds, each _____ and _____ commencing _____, 2015.

“Original Issue Date” with respect to the Series 2015 Bonds means the initial date of delivery of the Series 2015 Bonds.

“Paying Agent,” when used with respect to the Series 2015 Bonds, means the person or persons authorized by the Issuer to pay the principal of (and premium, if any, on), and interest on, the Series 2015 Bonds on behalf of the Issuer, and initially is the Trustee.

“Purchaser” means _____.

“Refunded Bonds” means the Clearfield City, Utah Sales Tax Revenue Refunding Bonds, Series 2006.

“Register” means the record of ownership of the Series 2015 Bonds maintained by the Registrar.

“Series 2006 Bonds” means the Issuer’s outstanding Sales Tax Revenue Refunding Bonds, Series 2006 originally issued in the total principal amount of \$9,700,000.

“Series 2015 Bonds” means the Issuer’s \$_____ Sales Tax Revenue Refunding Bonds, Series 2015, herein authorized.

ARTICLE II

ISSUANCE OF THE SERIES 2015 BONDS

Section 2.1 Principal Amount, Designation and Series. The Series 2015 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) refund the Refunded Bonds, and (ii) pay costs incurred in connection with the issuance of the Series 2015 Bonds. The Series 2015 Bonds shall be limited to \$_____ in aggregate principal amount, shall be issued in fully registered form, shall be in substantially the form and contain substantially the terms contained in Exhibit B attached hereto and made a part hereof, shall be issued in denominations of \$1,000 or any integral multiple thereof, and shall bear interest and be payable as to principal or redemption price as specified herein. The Series 2015 Bonds shall be designated as, and shall be distinguished from the Series 2015 Bonds of all other series by the title, "Clearfield City, Utah Sales Tax Revenue Refunding Bonds, Series 2015."

Section 2.2 Date, Maturities and Interest. The Series 2015 Bonds shall be dated as of their Original Issue Date and shall mature and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof, unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their Original Issue or unless, as shown by the records of the Trustee, interest on the Series 2015 Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their Original Issue Date, payable on _____ and _____ beginning _____, 2015, as follows:

Maturity Date (_____)	<u>Principal Amount</u>	<u>Interest Rate</u>
--------------------------	-------------------------	----------------------

The interest on Series 2015 Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the Registered Owner thereof at the close of business on the Regular Record Date for such interest, which shall be fifteen days (whether or not a business day) immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Series 2015 Bonds on such Regular Record Date, and may be paid to the registered owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such registered owner not less than ten days prior to such Special Record Date. The principal of and interest on the Series 2015 Bonds shall be paid by check or draft mailed on each Interest Payment Date to the Holder of each of the Series 2015 Bonds as the name and address of such Holder appears on the Record Date in the Register. Interest shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months.

Section 2.3 Redemption.

(a) No Optional Redemption. [The Series 2015 are not subject to optional redemption.

(b) Mandatory Redemption. The Series 2015 Bonds maturing on _____, 2015, are subject to mandatory redemption from Sinking Fund Installments, by lot in such manner as the Trustee may determine, at a price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Principal Amount</u>
---	-------------------------

* Final Maturity

Upon redemption of any Series 2015 Bonds maturing on _____, 2015, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2015 Bonds maturing on _____, 2015, at the option and discretion of the Issuer.]

Section 2.4 Execution of Bonds. The Mayor is hereby authorized to execute by facsimile or manual signature the Series 2015 Bonds and the City Recorder to countersign by facsimile or manual signature the Series 2015 Bonds and to have imprinted, engraved, lithographed, stamped, or otherwise placed on the Series 2015 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2015 Bonds.

Section 2.5 Delivery of Bonds. The Series 2015 Bonds, when executed, registered, and authenticated as provided herein and by law, shall be delivered by the Issuer to the Purchaser upon receiving full payment therefor in accordance with the Bond Purchase Agreement between the Issuer and the Purchaser.

Section 2.6 Designation of Registrar. The Trustee is hereby designated as Registrar for the Series 2015 Bonds, which approval shall be evidenced by a written acceptance from the Registrar.

Section 2.7 Designation of Paying Agent. The Trustee is hereby designated as Paying Agent for the Series 2015 Bonds, which approval shall be evidenced by a written acceptance from the Paying Agent.

Section 2.8 Limited Obligation. The Series 2015 Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Revenues (except to the extent paid out of moneys attributable to the Series 2015 Bond proceeds or

other funds created hereunder or under the Indenture or the income from the temporary investment thereof).

Section 2.9 Bank Designation of Series 2015 Bonds. For purposes of and in accordance with Section 265 of the Code, the Issuer has designated the Series 2015 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Issuer and by any aggregated issuer during calendar year 2015 will not exceed \$10,000,000. For purposes of this Section, “aggregated issuer” means any entity which, (i) issues obligations on behalf of the Issuer, (ii) derives its issuing authority from the Issuer, or (iii) is directly or indirectly controlled by the Issuer within the meaning of Treasury Regulation Section 1.150-1(e). The Issuer hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Issuer, and all aggregated issuers for calendar year 2015 does not exceed \$10,000,000.

ARTICLE III

APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 3.1 Creation of Accounts. There are hereby established with the Trustee a Cost of Issuance Account.

Section 3.2 Application of Proceeds of the Series 2015 Bonds. The Issuer shall deposit with the Trustee a total amount of \$_____ (the principal amount of the Series 2015 Bonds, plus funds in the amount \$_____ from the Refunded Bonds debt service reserve fund) and the Trustee shall deposit such proceeds as follows:

(a) an amount equal to \$_____ shall be deposited into the Bond Fund sufficient to refund the Refunded Bonds as of the date of delivery of the Series 2015 Bonds; and

(b) an amount of \$_____ shall be deposited in the Series 2015 Cost of Issuance Account.

Section 3.3 No Debt Service Reserve Requirement. For purposes of the Series 2015 Bonds, there shall be no Debt Service Reserve Requirement.

Section 3.4 Disbursements from the Series 2015 Cost of Issuance Account. Costs of issuance in the amount of \$_____ shall be paid by the Trustee from the Series 2015 Cost of Issuance Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request in substantially the form of Exhibit B attached hereto. Any unexpended balance remaining in the Series 2015 Cost of Issuance Account 30 days after delivery of the Series 2015 Bonds shall be paid to the Issuer.

Section 3.5 Redemption of Refunded Bonds. Proceeds of the Series 2015 Bonds, together with funds from the debt service reserve fund for the Refunded Bonds, are hereby irrevocably deposited from the Bond Fund with the trustee for the Refunded Bonds in accordance with Section 3.2(a) herein, respectively, and shall provide moneys, without regard to investment earnings thereon, sufficient to pay the principal of and premium, if any, and interest on the Refunded Bonds on_____.

Section 3.6 Series 2015 Bonds as Additional Bonds. The Series 2015 Bonds are issued as Additional Bonds under the Indenture. The Issuer hereby certifies that the requirements set forth in Section 2.13 of the General Indenture have been and will be complied with in connection with the issuance of the Series 2015 Bonds.

ARTICLE IV

CONFIRMATION OF GENERAL INDENTURE

As supplemented by this Third Supplemental Indenture, and except as provided herein, the General Indenture is in all respects ratified and confirmed, and the General Indenture, and this Third Supplemental Indenture shall be read, taken, and construed as one and the same instrument so that all of the rights, remedies, terms, conditions, covenants, and agreements of the General Indenture shall apply and remain in full force and effect with respect to this Third Supplemental Indenture, and to any revenues, receipts, and moneys to be derived therefrom.

ARTICLE V

MISCELLANEOUS

Section 5.1 Confirmation of Sale of Series 2015 Bonds. The sale of the Series 2015 Bonds to the Purchaser at a price of \$_____ is hereby ratified, confirmed, and approved.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Third Supplemental Indenture of Trust to be executed as of the date first above written.

CLEARFIELD CITY, UTAH

(SEAL)

By: _____
Mayor

COUNTERSIGN:

By: _____
City Recorder

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____

Title: _____

EXHIBIT A

BOND PURCHASE AGREEMENT

(See Transcript Document No. __)

EXHIBIT B

(FORM OF SERIES 2015 BOND)

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF DAVIS
CLEARFIELD CITY
SALES TAX REVENUE REFUNDING BOND
SERIES 2015

THIS BOND HAS BEEN DESIGNATED BY THE ISSUER AS A QUALIFIED TAX EXEMPT OBLIGATION FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

Number R - _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>
_____ %	_____,	_____, 2015

Registered Owner: _____

Principal Amount: _____

Clearfield City, Utah ("Issuer"), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above on or before the Maturity Date specified above with interest thereon until paid at the Interest Rate per annum specified above, payable _____, 2015, and semiannually thereafter on _____ and _____ of each year (each an "Interest Payment Date"), until said Principal Amount is paid. Principal shall be payable upon surrender of this Bond at the principal offices of U.S. Bank National Association ("Trustee" and "Paying Agent") or its successors. Interest on this Bond shall be payable by check or draft mailed on the Interest Payment Date to the Registered Owner of record hereof as of the fifteenth day immediately preceding each Interest Payment Date (the "Record Date") at the address of such Registered Owner as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Interest hereon shall be deemed to

be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America.

This Bond is one of an issue of Bonds in the aggregate principal amount of \$_____ of like tenor and effect, except as to date of maturity, numbered R-1 and upwards, issued by the Issuer pursuant to a General Indenture of Trust dated as of August 1, 2003, as heretofore supplemented and a Third Supplemental Indenture of Trust by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), dated as of _____, 2015 (collectively the "Indenture"), approved by a resolution adopted on June 23, 2015, for the purpose of: (i) refunding Issuer's Sales Tax Revenue Refunding Bonds, Series 2006 (the "Refunded Bonds") and (ii) paying issuance expenses to be incurred in connection with the issuance and sale of the Series 2015 Bonds, all in full conformity with the Constitution and laws of the State of Utah. Both principal of and interest on this Bond and the issue of which it is a part are payable solely from a special fund designated "Clearfield City, Utah Sales Tax Revenue Refunding Bond Fund" (the "Bond Fund"), into which fund, to the extent necessary to assure prompt payment of the principal of and interest on the issue of which this is one and on all series of bonds issued on a lien parity with this Bond shall be paid the Revenues as defined in and more fully described and provided in the Indenture.

The Series 2015 Bonds shall be payable only from the Revenues and shall not constitute a general indebtedness or pledge of the full faith and credit of the Issuer within the meaning of any constitutional or statutory provision or limitation of indebtedness.

As provided in the Indenture, additional bonds, notes, and other obligations of the Issuer may be issued and secured on an equal lien parity with the Series 2015 Bonds, from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such bonds, notes, and other obligations issued and to be issued under the Indenture is not limited.

Reference is hereby made to the Indenture, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties, and obligations of the Issuer, the Trustee and the Registered Owners of the Series 2015 Bonds, the terms upon which the Series 2015 Bonds are issued and secured, and upon which the Indenture may be modified and amended, to all of which the Registered Owner of this Bond assents by the acceptance of this Bond.

Except as otherwise provided herein and unless the context indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

Interest on the initially issued Series 2015 Bonds and on all Series 2015 Bonds authenticated prior to the first Interest Payment Date shall accrue from the Dated Date specified above. Interest on the Series 2015 Bonds authenticated on or subsequent to the first Interest Payment Date shall accrue from the Interest Payment Date next preceding their date of authentication, or if authenticated on an Interest Payment Date, as of that

date; provided, however, that if interest on the Series 2015 Bonds shall be in default, interest at the Default Rate on the Series 2015 Bonds issued in exchange for Series 2015 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2015 Bonds surrendered.

The Series 2015 Bonds are subject to redemption as provided in the Indenture.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the Principal Corporate Trust Offices of U.S. Bank National Association (the "Registrar"), but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Paying Agent may deem and treat the Registered Holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and neither Issuer nor Paying Agent shall be affected by any notice to the contrary.

This Bond is issued under and pursuant to the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended and this Bond does not constitute a general obligation indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. The issuance of the Series 2015 Bonds shall not, directly, indirectly, or contingently, obligate the Issuer or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

The Issuer covenants and agrees that it will cause to be collected and accounted for sufficient Revenues as defined in the Indenture as will at all times be sufficient to pay promptly the principal of and interest on this Bond and the issue of which it forms a part and to make all payments required to be made into the Bond Fund, and to carry out all the requirements of the Indenture.

IN ACCORDANCE WITH SECTION 11-14-307(3), UTAH CODE ANNOTATED 1953, AS AMENDED, THE STATE OF UTAH HEREBY PLEDGES AND AGREES WITH THE HOLDERS OF THE BONDS THAT IT WILL NOT ALTER, IMPAIR, OR LIMIT THE REVENUES IN A MANNER THAT REDUCES THE AMOUNTS TO BE REBATED TO THE ISSUER WHICH ARE DEVOTED OR PLEDGED AS AUTHORIZED IN SECTION 11-14-307, UTAH CODE ANNOTATED 1953, AS AMENDED, UNTIL THE SERIES 2015 BONDS, TOGETHER WITH APPLICABLE INTEREST THEREON, ARE FULLY MET AND DISCHARGED; PROVIDED, HOWEVER, THAT NOTHING SHALL PRECLUDE SUCH ALTERATION, IMPAIRMENT, OR LIMITATION IF AND WHEN ADEQUATE PROVISION SHALL BE MADE BY LAW FOR PROTECTION OF THE HOLDERS OF THE SERIES 2015 BONDS.

It is hereby declared and represented that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in regular and due time, form, and manner as required by law, that the amount of this Bond, together with the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Revenues of the Issuer have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of the principal of and interest on this Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Series 2015 Bonds of which this Bond is one and all bonds issued on a parity with this Bond.

This Bond shall not be valid or become obligatory for any purpose nor be entitled to any security or benefit under the Indenture until the Certificate of Authentication on this Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its City Recorder under its corporate seal or a facsimile thereof.

(SEAL)

By: (facsimile or manual signature)
Mayor

COUNTERSIGN:

By: (facsimile or manual signature)
City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Sales Tax Revenue Refunding Bonds, Series 2015 of the Clearfield City, Utah.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____ (Manual Signature)
Authorized Officer

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned sells, assigns, and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

EXHIBIT C

COSTS OF ISSUANCE DISBURSEMENT REQUEST

U.S. Bank National Association
170 South Main Street, 2nd Floor
Salt Lake City, Utah 84111

Pursuant to Section 3.2 of the Third Supplemental Indenture of Trust dated as of _____, 2015, you are hereby authorized to pay to the following costs of issuance from the Series 2015 Cost of Issuance Account:

[See Attached Schedule]

CLEARFIELD CITY, UTAH

By: _____
Mayor

Costs of Issuance

Payee

Purpose

Amount

CLEARFIELD CITY RESOLUTION 2015R-14

A RESOLUTION OF THE CLEARFIELD CITY COUNCIL SUPPORTING A 0.25% LOCAL OPTION GENERAL SALES TAX WHICH WOULD BE DEDICATED TO FUNDING TRANSPORTATION IMPROVEMENTS AS AUTHORIZED BY HB 362 (2015), ENCOURAGING DAVIS COUNTY TO SUBMIT THE PROPOSAL TO VOTERS IN NOVEMBER 2015, AND ENCOURAGING VOTER SUPPORT OF THE PROPOSAL.

WHEREAS, a safe and efficient transportation system creates the foundation for economic growth, improved air quality, public health, and enhanced quality of life; and

WHEREAS, the creation and maintenance of transportation infrastructure is a core responsibility of local government; and

WHEREAS, Utah's population is expected to grow by 2 million residents by 2040; and

WHEREAS, Clearfield City's residents would benefit from new comprehensive transportation options such as bike lanes, multi-use paths, off-road trails, and transit in addition to traditional roads; and

WHEREAS, the City's annual local transportation needs exceed Class B&C Roads revenue by an estimated \$400,000; and

WHEREAS, research from the Utah Department of Transportation indicates that road rehabilitation costs six times as much as road maintenance, and road reconstruction costs ten times as much as road maintenance, and

WHEREAS, investing in transportation results in economic development for the City and Davis County as well as accessible, good-paying jobs for residents; and

WHEREAS, improving comprehensive transportation in the City and County will reduce private vehicle usage which will in turn lead to improved air quality; and

WHEREAS, poor air quality discourages economic development, business recruitment and tourism visits, and also contributes to asthma and other health ailments; and

WHEREAS, nearly 1 in 10 Utah adults suffer from asthma and struggle to breathe during poor air quality days; and

WHEREAS, nearly 57 percent of Utah adults are overweight, nearly 200,000 Utahans have diabetes, and diabetes and obesity related health care costs continue to increase; and

WHEREAS, investing in safe and connected trails, bike lanes, sidewalks, and multi-use paths will encourage residents to be more active, enable them to spend more time with their families via active transportation, and result in improved personal and community health; and

WHEREAS, Utah has created a Unified Transportation Plan to address these comprehensive transportation and quality of life issues; and

WHEREAS, the Utah State Legislature recognized the local transportation needs as well as the shortage of available funding to meeting those needs and therefore enacted HB 362 which authorized counties to impose and voters to approve a 0.25% local option general sales tax dedicated to funding local transportation needs; and

WHEREAS, Clearfield City will, upon County imposition and voter approval, receive forty percent of the revenue generated by the 0.25 (one quarter of one percent) sales tax to invest in critical local transportation needs

NOW THEREFORE, BE IT RESOLVED BY THE CLEARFIELD CITY COUNCIL:

Section 1. The City Council supports the proposed 0.25% Local Option General Sales Tax that the Davis County governing body has been authorized to submit to voters in the County this November.

Section 2. The City Council urges the Davis County governing body to submit the 0.25% local option general sales tax dedicated to transportation funding to the voters of the county during the November 2015 election. The City Council also publicly supports the county governing body in submitting the 0.25% local option general sales tax dedicated to transportation to the electorate of the county.

Section 3. The City Council encourages voters to carefully consider the tremendously beneficial impacts the 0.25% local option general sales tax would provide to the community and urges voters to support the enactment of the 0.25% local option general sales tax because of those positive impacts.

Section 4. Clearfield has significant traditional transportation needs that the municipal 0.10% portion of the local option general sales tax could address. Adoption of the municipal 0.10% would enable the City to invest in the critical projects that our residents both need and expect.

Section 5. Clearfield has significant active and alternative transportation needs that the municipal 0.10% portion could address. For example, its residents are demanding improved sidewalks and pedestrian safety modes, enhanced bike lanes, better connectivity with transit, more traffic calming devices, and other modern transportation infrastructure. Investment in such active transportation options will encourage residents to travel via walking, biking, and transit, result in a healthier population, reduced emissions, decreased health care costs, and improved quality of life.

Section 6. Clearfield City supports continued investment in public transit because transit can help relieve traffic, promote walkable communities, and improve air quality. The transit system will receive 0.10% of the county imposed and voter approved 0.25% local option general

sales tax. The City expects the transit system to utilize the revenues collected within the City for projects that will expand local bus service, foster local and regional connectivity, and benefit the residents of Clearfield.

Section 7. A copy of this resolution shall be sent to the Davis County Commission, the Utah League of Cities & Towns, the Utah Association of Counties, the Speaker of the Utah House of Representatives, the President of the Utah State Senate, State Representatives and Senators who represent the City, and the Governor of Utah.

Passed and adopted by the City Council at its regular meeting on the ____ day of _____, 2015.

ATTEST

CLEARFIELD CITY CORPORATION

Nancy R. Dean, City Recorder

Mark R. Shepherd, Mayor

VOTE OF THE COUNCIL

AYE:

NAY:

CLEARFIELD CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY
MEETING MINUTES
6:00 P.M. WORK SESSION
April 28, 2015

*(This meeting was held following a City Council work session
and prior to the regularly scheduled City Council Meeting.)*

PRESIDING:	Bruce Young	Chair
PRESENT:	Keri Benson	Director
	Kent Bush	Director
	Ron Jones	Director
	Mike LeBaron	Director
	Mark Shepherd	Director
STAFF PRESENT:	Adam Lenhard	City Manager
	JJ Allen	Assistant City Manager
	Brian Brower	City Attorney
	Jacob Fordham	Assistant City Attorney
	Greg Krusi	Police Chief
	Scott Hodge	Public Works Director
	Kim Dabb	Operations Manager
	Scott Hess	Development Services Manager
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Rich Knapp	Administrative Services Director
	Terence Jackson	IT Manager
	Lee Naylor	Accountant
	Nancy Dean	City Recorder
	Kim Read	Deputy Recorder

VISITORS: Kathryn Murray

Chair Young called the meeting to order at 6:52 p.m.

DISCUSSION ON THE 2015/2016 FISCAL YEAR BUDGET

JJ Allen, Assistant City Manager, referred to the email sent to the Council previously during the day and explained the 2015/2016 Fiscal Year CDRA budget was not complicated because there wasn't much happening with the CDRA. He continued the CDRA Governance Report had been received which concluded the RDA Project Areas' funding needed to be dedicated toward servicing the debt affiliated with the Aquatic Center. He pointed out EDA or CDA funding couldn't be used for that purpose. He pointed out the annual revenues would need to be carefully managed in order to service the debt and keep in reserve any excess revenue which could be used in later years when the tax increment funding was reduced.

Mr. Allen reviewed the following specific to the project areas:

- RDA #6 – the north Freeport area to the Center Street bridge: the City was expecting approximately \$225,000 of revenue; \$100,000 of which would go toward the debt service.
- RDA #7 – the west portion of State Street: \$337,000 revenues with the only appropriation \$126,000 for the debt service.
- RDA #8 – east side of State & Main: \$165,000 revenue with \$150,000 being appropriated toward the debt service.
- RDA #9 – south side of 700 South and west of State Street: \$289,000 revenue with \$250,000 being appropriated to the debt service and \$45,000 would be the administrative costs transfer toward the General Fund.
- RDA #10 – 1700 South (Antelope Drive) and Wilcox Farms area: approximately \$300,000 revenue with \$200,000 appropriated for debt service and \$120,000 for administrative cost transfer toward the General Fund.

Mr. Allen reported the EDA (Economic Development Areas) were structured differently and reported the following:

- EDA #3 – ATK area was generating a lot of increment and was continuing to grow and reported the expected increment for FY16 was approximately \$1.9 million; however, eighty two percent would be set aside for the required incentive to ATK. He added in the previous three years in which the EDA had been active, ATK had not qualified to receive the incentive but the City was required to hold those funds in reserve because when it did qualify all that has accumulated would be paid to them. He mentioned five percent of the tax increment was specified for the General Fund for administration costs and \$50,000 had been appropriated for the path/bridge study from Clearfield Station.

Mr. Allen stated the general CDRA column reflected funds which couldn't be allocated toward a specific project area and announced no new funds were being received; therefore, staff was careful in managing it. He suggested the interest earnings of approximately \$30,000 should be allocated toward the different project areas.

Mr. Allen highlighted the \$50,000 appropriation for the Facade Grant Program which would be distributed to the awarding businesses was really the only activity in the "general" account.

Mr. Allen explained where the ending balances could be located on the emailed budget document.

Director Bush inquired if any remaining funds from the Facade Grant Program would be carried over to the next year. Mr. Allen responded the appropriated \$50,000 would unlikely be distributed before June 30, 2015 and indicated those funds should be considered a "reallocation" of funds.

The meeting adjourned at 6:58 p.m.

CLEARFIELD CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY
MEETING MINUTES
6:00 P.M. WORK SESSION
May 12, 2015

*(This meeting was held following a City Council work session
and prior to the regularly scheduled City Council Meeting.)*

PRESIDING:	Bruce Young	Chair
PRESENT:	Kent Bush	Director
	Ron Jones	Director
	Mike LeBaron	Director
PRESENT: VIA TELEPHONE:	Mark Shepherd	Director
EXCUSED	Keri Benson	Director
STAFF PRESENT:	Adam Lenhard	City Manager
	JJ Allen	Assistant City Manager
	Brian Brower	City Attorney
	Greg Krusi	Police Chief
	Scott Hodge	Public Works Director
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Scott Hess	Development Services Manager
	Rich Knapp	Administrative Services Director
	Lee Naylor	Accountant
	Nancy Dean	City Recorder
	Kim Read	Deputy City Recorder

VISITORS: Nike Peterson – Planning Commission Chair

Chair Young called the meeting to order at 6:55 p.m.

DISCUSSION REGARDING THE RELOCATION OF BILLBOARD SIGNAGE

JJ Allen, Assistant City Manager, reminded the Board that staff had been working with Reagan Outdoor Advertising on relocating the billboard located across the street from City hall to facilitate the development of the property. He announced a new lease agreement was on the agenda for approval and highlighted the following points of the agreement:

- The billboard across the street would be removed once a new billboard has been erected at 720 North Main Street, which was also CDRA property.
- The lease was for 20 years with no automatic renewal; however, after 20 years it would convert to a month to month lease.
- The rental rate was \$5,000 per year with a five percent increase every five years.

- The new billboard would be “freeway” sized meaning it would be mono pole style, double faced, 14 x 48 feet.
- Once the new billboard was in place, the lease for the billboard across the street would be terminated and the existing billboard would be removed.

He mentioned Regan Outdoor would need to receive approval from UDOT (Utah Department of Transportation) and receive a CUP (Conditional Use Permit) from the City. He stated the time frame for completion would be the end of summer and suggested it wouldn’t interfere with construction of the Clearfield Center project.

Chair Young inquired why Reagan didn’t want a 10 year lease. Mr. Allen responded the 10 year lease required an automatic renewal so staff suggested negotiating a 20 year lease.

Director Bush requested clarification about the City’s option to advertise on the billboard. Mr. Allen responded the City could advertise on available signs within Weber and Davis counties but only on a “space” available basis. He added the City was allowed advertising using six 30 sheet posters, which was the small size for the billboard currently across the street, or the City could trade the six posters in for one large “freeway” size bulletin. He pointed out the City would have to pay for the production of the signage and emphasized the period for advertising would be for two 28 day periods.

The meeting adjourned at 6:58 p.m.

CLEARFIELD COMMUNITY DEVELOPMENT AND RENEWAL AGENCY 2015R-03

A RESOLUTION APPROVING AND ADOPTING
AMENDMENTS TO THE 2014/2015 BUDGET AND
APPROPRIATING FUNDS FOR THE PURPOSES SET FORTH
THEREIN

WHEREAS, Clearfield Community Development and Renewal Agency is nearing the end of its budget period which began on July 1, 2014 and ends on June 30, 2015; and

WHEREAS, the Board has approved some expenditures that were not included in the original budget; and

WHEREAS, Utah state code allows the Board to make adjustments to the budget; and

WHEREAS, proper notice of the public hearing for this matter was given; and

WHEREAS, Clearfield Community Development and Renewal Agency has considered and approved those amendments.

NOW, THEREFORE, be it resolved by the Clearfield Community Development and Renewal Agency that the amendments to the Clearfield Community Development and Renewal Agency budget beginning July 1, 2014 and ending June 30, 2015 as set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference are authorized and approved.

The Chairman is authorized to sign any documents reflecting those amendments.

Passed and adopted at the Community Development and Renewal Agency Board meeting held on June 23, 2015.

Dated this 23rd day of June, 2015.

ATTEST

CLEARFIELD COMMUNITY DEVELOPMENT
AND RENEWAL AGENCY

Nancy R. Dean, Secretary

Bruce Young, Chair

VOTE OF THE BOARD

AYE:

NAY: